THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVIII. Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, JANUARY 4, 1924 Single Copies, 10 Cents No. 1

MORE CHANGES IN SALES TAX ARE FORECAST

Whole Situation is Very Disturbing to Business

LAST YEAR AND NEXT

Much Activity in 1923 but Unsatisfactory Results—Constructive Action Needed to Restore Confidence

Two effects of the new 6 per cent. sales tax are in evidence. One a general disturbance in manufacturing, wholesale and retail business through wide price changes and the other general advances in the cost of living which will tend to reduce the volume of buying by the public. There is quite a general feeling that the present disturbance over the sales tax is not the end. There will be strong pressure for changes when parliament meets. The opinion is heard that the tax will not be in effect for more than three months. The idea that there are to be further changes is definitely set out in a circular to the trade issued by Canada Foundries and Forgings, which says:

In view of the uncertainty of the continuance of the new 6 per cent. sales tax, we believe that our customers will be less inconvenienced by charging the sales tax on the face of the invoice until such time as this matter has been permanently decided by the government. When that time arrives we will be prepared to adopt a policy which will be found suitable to our customers.

Generally speaking the effect of the tax will be to advance prices to the public to cover the new levy of 6 per cent. In some cases the increase will be more, in others less, and in still others the increase will be absorbed rather than disturb the price to the customer. Instances have been reported to THE FINANCIAL POST where an advance of the increase in the sales tax —3¾ per cent.—might have been expected, but the prices to the trade have actually been raised 10 per cent. The price to the consumer will be advanced to this extent or more. Then at the other extreme are close-priced foodstuffs and nationally known products where an advance in price would mean that some substitute or competitive line would be favored or where the article would be bought to a much less extent. In such cases the tax will be absorbed or the size of the package or container altered.

Looking Back and Ahead

The sales tax uncertainty adds to the difficulties of a trying situation for business with the opening of the year. The past year has been unusually busy but in many respects unsatisfactory. It has been a year of unusually hard work and much anxiety among proprietors and executives, and while gross business has been in many cases record-breaking, the final rewards have been unsatisfactory and depressing. When the taxes and numerous expenses and other calls are met, too often there is little or nothing left for the necessary reserve to carry the business and employees through bad periods, or to provide the surplus so necessary for further development if the business is to maintain its position. The concerns which have gone aggressively after business have made a good showing and by continuing the same methods should be able to maintain and probably increase their volume. But profits have been narrow and promise to continue so unless something is done to restore commercial and industrial confidence. Prompt action at Ottawa, particularly in the direction of retrenchment to reduce taxation, with active co-operation by industry, would restore confidence, revive incentive and work a marked improvement throughout the country. Otherwise dissatisfaction is sure to make itself felt in a political way.

U.S. Tax Plan May Affect the Market of Canadian Bonds

NEW YORK.—If Congress adopts the Mellon tax reduction plan it is possible that the price of Canadian municipals and provincials may fall in the American market. This is the opinion of a number of American bond dealers who have made a close study of the American market for Canadians.

This opinion they base upon the assumption that if the income tax of the higher incomes is reduced as the secretary of the treasury would have them reduced, investment funds will be taken from the market for tax exempt state and municipal bonds, and diverted in the market for industrial bonds giving a higher yield. If this happens, naturally the floating supply of municipals will increase and prices will become easier.

In this eventuality, Canadian municipals and provincials would, so runs this theory, have to compete with a larger volume of American municipal and state issues, and to hold their market here would have to be sold at a much lower price than they are at present selling.

Would Increase Revenue Under Lower Tax Levies

WASHINGTON.—Secretary Mellon's principal argument in support of his recommendation for a reduction in taxes on large incomes was based on the claim that high income taxes defeat their purpose and that more revenue would be realized from a lower schedule of rates. In other words, Mr. Mellon is not asking that the rich be allowed to pay less taxes, but that the government pursue a policy that will induce the rich to pay more taxes. In the matter of the influence of taxes on the character of investments, the point is that lower rates would tend to prevent the diversion of new capital (savings) from productive to non-productive purposes.

U. S. INVESTORS AFRAID OF OUR PUBLIC DEBTS

Effect Noted in Market for Provincials and Municipals

NEW YORK.—"I hold $100,000 of Canadian bonds. Please suggest good American bonds I can substitute for them. I have been studying the statements of the various provinces and municipalities, whose liabilities they are, and have decided that government debt in Canada is accumulating at too fast a rate." This statement appears in a letter which the president of a large bank in Northern New York wrote to a New York bond house.

The big bankers in New York regard Canadian government bonds highly. They appreciate that Canada is a country of great resources in raw materials, and that Canadians individually are aggressive and capable of developing them profitably.

But with regard to provincial and municipal issues, their views are different. The provinces, with the exception of Quebec and the Maritimes, have been borrowing very heavily, and their bonds are not now being well received. Many of the cities and towns are in the same class. This is particularly the case with those which have gone in for public ownership. The financing of the Hydro Commission in Ontario is regarded with considerable apprehension as to the future.

It can readily be understood then that the smaller bankers throughout the country are advising their customers to dispose of their Canadian provincial and municipal bonds and are adopting the same attitude towards the federal issues in view of the general failure to practise economy on public expenditures.

AMERICAN CAPITAL FOR NEW PULP PLANT

Talk of Embargo Against Canadian Pulpwood Exports Evidently Having Effect

From Our Own Correspondent.

ST. JOHN.—United States capital is interested in a plan to build pulp and paper mills near Campbellton, N. B., on the Restigouche River. Inquiries have been made of the New Brunswick Electric Power Commission as to the rate for hydro-electric current. Indications are that a start in construction will be made during this year. The pulp mill will be one of the largest in Canada and will be built first. A comprehensive scheme for building dwellings for workmen has also been outlined. Definite announcement of the proposed new industry will be made when arrangements for the power have been perfected. The current will likely be secured from the proposed Grand Falls hydro station at Grand Falls, N. B., on the St. John River, the water power privileges of which were for some years held by the International Paper Company.

Prime Minister Warns of Dangerous Appeals

OTTAWA.—The prime minister in a brief New Year Message to the people of Canada found it necessary to refer to the growing campaigns inspired by foreign influences to create discord throughout Canada, mainly in the colleges and schools, to which a number of references had been made in THE FINANCIAL POST.

It is becoming more and more recognized here that these subtle agitations have a tendency to unsettle Canadians, discourage enterprise, and hamper the development of a national Canadian sentiment.

Mr. King issued a delicate warning —as His Excellency, the Governor-General, has been doing in some of his addresses—saying:

"Within our own borders the common interest and the common good still supersede the occasional appeal to sectional or class prejudice.

"To the men and women of the younger generation, those who have health and strength and power of service on their side, the new year, therefore, comes with a clarion call to take some worthy part in their country's affairs; to work while it is yet to-day for the preservation of all that is highest and best in our national life and our national influences. Let it be ever remembered that no life is too obscure and no home too humble to make its contribution to the national good."

NEW MERGER ADDS POWERFUL FRENCH BANKS TO SYSTEM

Assets Will Total Close to $140,000,000 After Merger

NATIONALE'S LOSSES

Banque d'Hochelaga Made Loan From Provincial Government an Essential of the Deal

From Our Own Correspondent.

MONTREAL. — The number of Canadian banks is reduced to fifteen, as against eighteen at the beginning of 1924, by the merging of LaBanque Nationale with La Banque d'Hochelaga. The disappearance of the Home Bank and La Banque Nationale has eliminated the two "weak sisters" of Canadian banking. The Home Bank was in a weak position because it got off to a bad start and the Nationale has been having a difficult struggle lately because of its serious losses in the failure of the National Farming Machinery Company, which it had supported.

It was generally felt up to the time of the announcement, that the Nationale could have continued in existence as a separate entity and in time have gotten back to a position of soundness. That the confidence of the public was returning and had, in fact, been won back in a large measure by the straightforward policies of the new management, was evidenced by the increase in its deposits. It was felt that with the support being given to the institution by other strong banking interests that it could be brought around safely. In fact, one of Canada's most important bankers said not long ago that if there was any real danger in Canadian banking it was not in La Banque Nationale. Nevertheless negotiations were set on foot for the acquisition of the bank assets by the strongly entrenched Banque d'Hochelaga and the present merger—which is almost certain to go through—is the result.

Further Concentration

There are, of course, many who are sorry to see the merger. It indicates that the optimistic statements of some banking heads that no further announcements reflecting weakness in the banking situation need be expected, were hardly correct. It indicates again the tendency to concentration of banking power in a few hands and, moreover seems to establish definitely the entry of a powerful all-French bank into dominant position in Canadian banking. Combined assets, including the $15,000,000 new money, will be around $140,000,000. The merger also introduces a number of features of interest, particularly the proposed loan of $15,000,000 from the Province of Quebec.

It seems obvious that the Banque d'Hochelaga has made an excellent bargain. It purchases the Nationale stock by the exchange of one share of its stock for two of the old. Taking Hochelaga stock at $144 a share, the recent market price, the Nationale stock is being acquired at $72 a share. Nationale has been paying 6 per cent. dividend and the stock has been selling close to par. As the Hochelaga dividend will likely be maintained at its present rate of 10 per cent., the Nationale shareholders will in effect receive five per cent. per annum on their former shares from now on. From their standpoint, however, it must be admitted that they are likely to receive an increased dividend from the Hochelaga shares at an earlier date than they would have gotten it from their present holdings.

The terms of the merger provide that the holders of $680,000 of bonds of La Machine Agricole are to be paid in full. La Banque Nationale helped to get many Quebec investors into this ill-fated enterprise and evidently feels some obligation to the

(Continued on page 5)

Student Relief Fund

THE FINANCIAL POST has received a number of inquiries as to the "University of Toronto fund for European student relief" from persons to whom appeals have been made for contributions.

This would appear to be one of the very few among the many requests and campaigns put before or launched upon Canada that is deserving of serious consideration. Many of these have been condemned in these columns, as the funds went to highly placed, often titled, individuals, with generous rake-off to intermediaries, and seldom got through to objects to which they were supposed to aid. Others have come from professional beggars, groups, people who have for years subsisted on British and United States charity. Several of these are being conducted to-day throughout Canada, mainly in the schools and churches. From actual observations on the spot, THE POST can say that the class which suffered most in Germany and Austro-Hungary from the war was the most valuable to the world—the highly-trained leaders, professors and teachers in the arts and sciences. They have been starving—would have starved—but for American and British aid. The whole civilized world would have suffered if they had not been rescued. It is good business, a good investment for finance and business, to aid young men and women to study and train under these professors and teachers, and carry on when they have passed, as so many are passing. It would be better business if we could transplant a few hundred of them to Canada, particularly Hungarians, who were always at heart pro-ally.

It is true there have been some names, with an unsavory record, connected with student relief, but, in the case of the University of Toronto fund, which at this end is under the control of Professor G. M. Wrong, there can, of course, be no question. He has himself been investigating in Europe and vouches for the agencies through which the Canadian funds go. Since this particular fund was instituted last autumn THE POST, at the request of readers, has made inquiries through its foreign sources of information and has so far found nothing whatever of an unfavorable character.

Teaching Revolution In Canadian Schools

PORT ARTHUR.—Under the caption "Teaching Revolution," the Port Arthur Chronicle comments editorially:

How many residents of Port Arthur and Fort William knew that schools exist in these cities for the purpose of teaching children the pernicious doctrines of communism and radicalism? How many were aware that these schools exist with the object of graduating boys and girls who will in time become convinced devotees of a system that is designed to destroy society and reduce civilization to the level produced in Russia?

With utter disregard for the rights of others the founders and supporters of these schools were charged, the other day before Judge Kelly, with what amounts to stealing from their owners a hall at West Fort William and converting it to the cause of communism. If these people say they are bent on taking the property of the rich, why do they make victims of fellows in their own class? Surely they will not pretend that men who are working in the same places as they themselves work, are aristocrats or persecutors of the poor. If they do they make lying hypocrites of themselves. The reason for their action lies in the fact that the halls were built by men and women who hold to the Christian faith and were teaching their children Christian doctrines and Canadian culture. It is the same people who committed the outrage upon their fellow countrymen that are founders and supporters of these disloyal pagan schools.

Judge Kelly called attention in his remarks to the seeming criminal attitude of these people and intimated that he might direct the attention of the criminal authorities to their activities.

More than 1,200 children are enrolled in the communist schools in several sections of Canada. Twelve hundred children who are being prepared to become revolutionists. Recently it was declared by the communists of this country that they are now ready to preach revolution. That is the very thing most desired. Get the revolutionary crew into the open and good ground will be supplied for deporting them to the country whose example they desire to emulate in Canada. As it is, every one of these potential revolutionists should be earmarked by the authorities.

The above editorial shows that the press of the country is beginning to awaken to the menace of foreign agitation, notwithstanding the efforts of the Toronto Star and its friends and certain University of Toronto authorities to suppress the still worse goings on at Hart House, officially aided by certain members of the staff.

Canada a Natural Field for Investment of U.S.A. Capital

Head of Company That Has Helped to Invest Many Millions in This Country, Discusses Our Resources as Well as Our Problems

By Staff Representative.

NEW YORK.—The United States is an increasingly important investor in Canadian securities, and is to-day the largest stake-holder in Canada outside of the Canadian people themselves. Canada is regarded by American capitalists as a natural field for the investment of their money. It has rich resources, people of the same stock as the Americans, sound credit and other advantages from an investment standpoint.

These advantages were outlined to THE FINANCIAL POST by Charles E. Mitchell, president of the National City Company. This company through its Canadian organization and its world-wide connections has been instrumental in selling, it is understood, about $350,000,000 of Canadian securities in the United States. When an organization can bring a third of a billion dollars of outside capital into Canada for the development of the natural resources of the country, the financing of the various government bodies, and the promotion of Canadian enterprises, the opinions of the head of that organization must be regarded as worthy of keen attention.

"Canada is a logical investment field for us," said Mr. Mitchell. "Geographically near, possessing rich resources, many, as yet undeveloped, and with its people of the same stock, Canada is a natural field for the type of investment activities which are ours."

Questioned as to the type of Canadian investments his own company favored, Mr. Mitchell replied: "There is no particular type preferred over and above another. Only one thing determines the nature of the investments of this company—there must be a sound basis of credit. Any Canadian issues that thus qualify are acceptable."

Regarding the factors which would contribute most to Canada's development, Mr. Mitchell stated: "Canada must look to the development of its export trade. This will mean industrial growth, and progress similar to that made in the United States, which has grown through its industrial development chiefly along the lines of mass production.

"Canada needs immigration, not necessarily mass immigration, but of the best selective type. Cheap labor is a factor, of course, in industrial development, especially with the keen competition of to-day, but Canada has the advantage of much cheap power, and also preferential tariffs within the empire to offset the lack of cheap labor. Of course, there is the tendency to be combated of Canada being a clearing house for immigrants who, having been brought

(Continued on page 4)

Bigger and Better Immigration Looked For

EDMONTON.—Hon Mr. Hoadley, minister of agriculture, who attended the recent conference on immigration at Ottawa and paid a second visit to the capital some time later, has great hopes for the new year. In a recent address he said:

"I believe we are entering on bigger and better and more intelligent immigration policy under the leadership of the new minister, Mr. Robb. Some say that the newness of the work will be against him. I do not hold to that view. I think it is in his favor, also that he has a new deputy. They will not be living in the past. They will have no grooves in which to travel. They will solve and carry out a present-day policy, broad and progressive, and I believe fruitful. The new minister is a most hopeful sign of a better immigration policy."

IMMIGRATION IS MAKING THE BEST RECORD SINCE '14

Rebate by Steamship-Companies Having Its Effect

From Our Own Correspondent.

OTTAWA.—With November's immigration figures touching 11,583, it is probable that the total number of immigrants for the fiscal year will be 150,000. There is now a strong movement to Canada from countries other than the United Kingdom and the United States, the arrivals from these, during November, having been 5,395, or about 4½ times as many as came in November, 1922. The immigration from Britain was over 2½ times greater, while that from across the line was but slightly in excess of a year ago. Nearly 200 more people came from countries other than the United States and Britain than came from the latter during November.

The showing is the best since 1914, when approximately 385,000 newcomers arrived.

Everybody predicts a heavy inrush of immigrants during 1924, and this expectation is likely to be realized. The biggest boost that immigration has received for some time has been in the decision of the steamship companies to allow a rebate of $15 to every passenger traveling by third class on Atlantic steamers plying from Britain to a Canadian port. For some time a movement in this direction has been under way, Col. J. S. Dennis of the Canadian Pacific Railway having frankly told the last immigration conference at Ottawa that immigration from overseas countries would be disappointing until the passage rate was cheapened.

The decision to reduce the cost by the rebate method, instead of through the lowering of the fare, was taken in deference to the wishes of steamship companies operating between British and continental ports, and ports in the United States. As, owing to the quota, the latter could not get any more of this business, even if they lowered the cost of passage, they were desirous that things should remain as they are. But some of the companies operating to Canadian ports alone being after business were determined to make the announced reduction. That it will result in increased business for Canadian ports goes without saying.

BIG MOVEMENT WESTERN CROP MEANS MILLIONS

New Money Has Profound Effect on the Situation

MATTER OF PRICES

Curtails Profits But Not Unmixed Evil if it Has the Effect of Discouraging Unhealthy Expansion

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG.—With the new year there is a very natural effort to estimate what the past year has meant to Western Canada in the matter of production and trade. Up to December 21, the official figures show that there was moving from the farms to market 317,351,361 bushels of wheat. If we assume that putting lower grades against higher the whole of the wheat graded number two northern, which would be very conservative, and allowing for freight, the moving of wheat from the farmers would represent the putting into circulation of something like $260,000,000 between September 1 and December 21. The circulation of so large a volume of money, even though the profit to the farmer on his wheat has been little, and, in some cases, nothing, has had a profound effect, both financially and psychologically, possibly the latter being the more profound effect of the two. To what has come from wheat there must be added the sales of coarse grains, the sales of livestock, not only since September but throughout the year, and the not inconsiderable returns from poultry, butter, cheese, vegetables and honey. A great volume of money has moved. Granted the volume has not been at all in proportion to the value of the product, and that the wheat the farmer has had to buy has been much higher in price than what he has had to sell, the mere fact of the money moving has stimulated business of all kinds and generally improved the outlook of both farmers and business men.

Fall trade in heavy clothing and winter supplies has been undoubtedly curtailed by the extremely fine weather, but Christmas trade in all lines is generally admitted to have been better than expected.

While the extra fine weather has had its drawbacks, not only the mer-

(Continued on page 15)

Quebec Taxes Attract Eastern Manufacturers

HALIFAX.—Referring to high taxation and other charges in the city which impose a heavy overhead burden on the manufacturers, W. H. Schwartz, a local business man, declares that industry and business is suffering in competition with Quebec, which has low taxes and lower rates. "Our rates are absolutely too high and if this city continues to overtax and our business in Quebec increases at the present rate, the firm which I am connected with will find it necessary to move our business there, where the lower taxes and cheaper power greatly reduce the overhead," he said at a recent public gathering.

FEATURES

Wholesalers Need More Capital Under New Tax 2
Tendency Still to Buy on Hand-to-Mouth Basis 2
Past Year One of Good Profits — Labor Got Share 3
Radical Changes in Selling Plans to Reduce Costs 3
Valuable Data for Investors in News and Views 4
Mellon Policy Raises Hopes in the States 5
Canada as Field for Manufacture Attracts Money 6
Approval Given for Plan of United Sale of Sulphite 6
Lower Prices and Interest Will Benefit Investors 7
Volume of Mineral Produced in 1923 Reached New Total 8
Change Made in Management of Tough-Oakes Burnside 8
Section 88 No Convenience to the Bankers 9
Winnipeg's Oldest Private Bank Had Colorful History 9
Flavelle's Proposal to Adjust Debt of C. N. R. 10
Has Hamilton Revealed Another Ponzi? 11
Demand for Bonds Remains Weak, Prices Firm 12
Wealthy People Are Big Buyers of Bonds 12
Alberta Treasurer Defends Action on Tax Arrears 13
Has North Saved Old Ontario from Direct Taxation 13
Does Surety Bond Imply Employee's Record of Honesty 14
Use Insurance to Pay Off Mortgage Under New Policy 14
Bank of Toronto Showed Increase in Net Earnings 15
Income Tax Could Be Reduced and Nuisance Taxes Removed 16
Putting the C. M. A. Right With the Public 16
Editorial — Other Countries Cut Taxes—Keep Out Russian Missions — Farmers Modify Tariff Demands—Germany Has Money for Raw Materials—Our Armies of Tax Eaters — The Farmers' Own Remedies 16

Travellers' Letters of Credit

No matter in what part of the world you may travel, you can obtain funds for your requirements by carrying a Travellers' Letter of Credit issued by the Bank of Montreal.

Particulars may be obtained from any Branch of this Bank.

BANK OF MONTREAL

Established over 100 years.

Total Assets in Excess of $650,000,000.00

The Bank of Nova Scotia

Established 1832

Capital .... $ 10,000,000
Reserve Fund 19,500,000
Total Assets 220,000,000

GENERAL OFFICE—TORONTO, ONT.
J. A. McLEOD, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
55 Old Broad Street, E. C. 2,
London, England, Branch.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations, and individuals carried on most favorable terms. Correspondence Solicited.

Letters of Credit

EVERY branch of this Bank is in a position to issue Letters of Credit. Our arrangements with leading banking institutions throughout the world assure you financial accommodation wherever you may require this convenience.

THE DOMINION BANK
HEAD OFFICE, TORONTO.
London, Eng., Branch, 3 King William St. E. C. 4.
New York Agency, 35 Wall St.

UNION BANK of Canada

Capital .... $ 8,000,000
Reserve and Undivided Profits 2,067,074
Total Assets 128,299,679

The Bank's Annual Statement has just been issued and copies thereof are available for anyone, on application, at any branch of the bank.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE No. 133

A DIVIDEND of Three Per Cent. (3) for the three months ending 31st January, 1924, being at the rate of Twelve Per Cent. (12) per annum, has been declared payable on the 1st of February, 1924, to Shareholders of record as at the 17th of January, 1924.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 27th of February next, at 12 o'clock noon.

By Order of the Board,

N. L. McLEOD,
General Manager.

Toronto, December 19th, 1923.

The Weyburn Security Bank

Chartered by the Act of the Dominion Parliament

TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

POTTERY PLANT ESTABLISHED

Ontario Potteries, Oshawa, representing the oldest industry in the world, is the newest in Canada. The first kiln has just been opened. The company will produce table and art ware, employing 20 hands. The clay is secured from Saskatchewan, the feldspar from Ontario. The officers are: T. S. Holgate, Bowmanville, president; T. W. Black, Oshawa, vice-president; and general manager; T. D. Dunlop, Toronto, President Dunlop Coal Co., secretary-treasurer; directors, J. W. Borsberry, Oshawa; R. J. Brown, Canadian manager Halbert Slicer Machine Co., Toronto; R. S. Segsworth, barrister, Toronto; owner of the Richardson Feldspar Quarry, Frontenac County, and C. S. McKee, Toronto.

WHOLESALERS NEED 6% MORE CAPITAL UNDER NEW TAXES

Unlicensed Houses Are Placed at Great Disadvantage in Competition

SOME EXCEPTIONS

Ottawa Makes New Rulings Which Help Fish, Dairy and Paper Industries

Indications are that unlicensed wholesalers and manufacturers will be at a material disadvantage in competition with their licensed competitors under the new Sales Tax. Wholesale grocers are particularly dissatisfied. They contend that the new tax means that they will require six per cent. more capital to carry on business.

Wholesale grocers will be unlicensed, as according to the regulations any person or firm not selling fifty per cent. of their turnover to licensed manufacturers or licensed wholesalers are so classified. They will, therefore, pay six per cent. on the duty-paid value of all importations and on all domestic purchases. It will be necessary to procure six per cent. more capital than they have had heretofore to transact the same amount of business. More serious is the fact that both licensed manufacturers and licensed wholesalers may import or buy their goods free of the tax where they must pay it at the time of purchase. This, wholesale grocers contend, will undoubtedly create unjust inequalities and grave irregularities which will work to the disadvantage of the unlicensed wholesaler.

Ottawa has announced some important exemptions from the tax. Wooden containers for fish, cheese and butter escape; newsprint, under certain conditions gets a 50 per cent. reduction, thus leaving this industry practically where it stood under the 1923 tax; collections of old coins, stamps, trophies, are exempt. Certain syrups, confectionery and woollen rolls are also mentioned.

The order follows:—

"Usual coverings for goods not subject to the consumption or sales tax. The principal goods covered by this item would be coverings for flour, sugar, cheese, butter, lard, oatmeal, cornmeal, fruit, fish and condensed milk.

"2. The materials for the manufacture of usual coverings. This would also apply to the same products as the usual coverings referred to in Clause 1.

"3. Woollen rolls or wool yarn milled by a producer of wool from such wool supplied by him for his own use.

"4. Articles enumerated in Customs Tariff item 692, namely: coins, cabinets of; collection of medals and collections of postage stamps; trophies and prizes received and accepted as honorary distinctions or won in bona fide competitions.

"5. Goods enumerated in Customs Tariff item 139, namely: glucose or grape sugar, glucose syrup and corn syrup or any syrups containing an admixture thereof. Corn syrups and other syrups closely resembling syrups and molasses now exempt from the sales tax puts the producers of syrup at a serious disadvantage with the producer or importer of other syrups and molasses.

"6. Bakers' cake and pies not to include biscuits.

"The rate of the consumption or sales tax on printing paper for use exclusively in producing newspapers, quarterly, monthly, and semi-monthly, quarterly. weekly literary papers unbound, hymn books, religious tracts as, Sunday School lesson pictures is to be reduced by 50 per cent. on the amount of said consumption or sales tax."

Election Not Always Detrimental to Business

CLEVELAND.—The clear evidence of figures compiled by the Cleveland Trust Company is that during the past four decades election years have been on the whole less favorable to finance and business than other years. Nevertheless, it is also clear that there is no certain rule about the matter, for some of the election years have been times of vigorous recovery and prosperity.

Freight Record Shows Broad Trade Activity

From Our Own Correspondent.

MONTREAL.—The slowing up of the grain movement brought the freight movement of Canada in November to a point slightly below the October activity, but the freight movement in November was, nevertheless, one-sixth greater than in November, 1922. A portion of the increase was due, no doubt, to larger wheat movements than in the previous year, but substantial improvement in business activity is also reflected.

According to THE FINANCIAL POST'S advance record, freight movement in November, compared with previous months as follows:

	1922	1923
September ..	2,726,228,604	3,197,654,110
October . ..	3,971,591,874	4,552,177,006
November ..	3,828,836,371	4,489,149,459

The figures show the number of tons of freight moved one mile on the C. P. R. and C. N. R. Canadian lines.

ELECTRICAL ORDERS HEAVY

The volume of sales of Canadian General Electric for 1923 as compared with 1922 was very much larger, according to J. J. Ashworth, general manager. Unfilled orders are much larger than a year ago.

Conditions in the electrical industry are very much better than they have been since 1920. There is evidence of increased buying power and new uses for electricity are being introduced. Many large installations of generating equipment are in progress, and many more are in the initial stages of construction. As these come into use, there will be an increased demand for distributing material followed in turn by a demand for motor and accessory equipment, wiring and lighting supplies, household appliances, etc., so that on the whole he concludes the prospects are brighter than they have been for some time.

COMPENSATION IS BEING PROTESTED

New Brunswick Manufacturers Declare That Levies Made Are Unbearable

From Our Own Correspondent.

ST. JOHN.—On Jan. 10, in this city, a conference will be held at which the provincial government has invited employers to present their views regarding the New Brunswick Workman's Compensation Board. For some time, employers have been clamoring for an opportunity to protest against the attitude of the provincial compensation board against the industries of the province. Not content with forcing the employers of the province to bear the entire taxation for the upkeep of the board, the levies have been frequently increased so that the burden is regarded as unbearable. This is particularly true of the lumbering and pulp and paper industries. The increases have been beyond all reason. The Bathurst Company, which owns three lumber mills as well as a pulp mill and a paper mill and tidewater docks at Bathurst, administered a setback to the board recently when it not only won the verdict against the board in the Circuit Court but won the appeal to the full bench. The Bathurst Company had protested against paying exorbitant levies.

At the conference on Jan. 10 in St. John the report of an efficiency expert, engaged to investigate the operations of the board will be disclosed. This report has been withheld from the public. Heretofore, despite the advances of the employers and their associations, official recognition has been denied the associations by the board.

EXPORTERS SHOULD WATCH PROPER NAMES

For Instance, Czechoslovakia Offers Problems in Spelling That Are Important

Some export sales managers still seem to be in the dark as to the exact location of Czechoslovakia, and even more so regarding its various cities and provinces. A case recently came up in which an exporter had addressed a letter to Mr. So-and-So, "Prague, Bohemia, Czechoslovakia, Germany." This naturally would not create a good opinion of the exporting house on the part of the Czechoslovak manufacturer to whom the letter was written. Even the proper spelling of the noun Czechoslovakia and its adjective still remains an uncertain matter for many of our exporters and importers. The National Geographic Board has asked that the noun be spelled "Czechoslovakia" and the adjective "Czchoslovak." This eliminates various combinations such as "Czecho-Slovak," "Czecho-Slovakia," and "Czechoslovakian."

It should be remembered that Czechoslovakia, in breaking off from the old Austro-Hungarian Empire, was formed of parts of five separate provinces, namely, Bohemia, Moravia, Slovakia, Ruthenia, and Silesia. Prague, the capital of the country, is located in the province of Bohemia, but, in addressing letters to Czechoslovak cities, it is unnecessary to write anything more than the name of the city and the word Czechoslovakia. Since the establishment of Czech leadership in that country the names of cities are often given in both foreign and Czech languages, as for instance in the case of Brunn, which in Czech is written Brno, or Prague, which in Czecho is Praha. Either the Czechoslovak or the foreign name of the city may be used, but it is probable that the former names such as Reichenberg, Pressburg, or Pilsen are more familiar to the American trade than the corresponding Czech names of Liberec, Bratislava, or Plzen.

TENDENCY STILL TO BUY ON HAND-TO-MOUTH BASIS

But There Should be No Lack of Confidence in 1924

NEW YORK.—The business prospect for 1924 is good. The usual seasonal expansion may be expected during the spring months and for the year as a whole a satisfactory volume of business with reasonable profits. Whatever hesitancy prevails as to what is ahead seems in a large measure to be due to the fact that merchants and manufacturers have acquired the habit of ordering in small quantities for immediate requirements. This condition is no justification for lack of business confidence for this policy makes for safety under prevailing high costs, says the National Bank of Commerce in New York.

The substitution of frequent small orders in place of large forward commitments is in considerable part the outgrowth of experiences in 1920. The tendency throughout the business community since that time has been to hold inventories down and to emphasize the importance of rapid turnover with considerable insistence on short-term credits.

The change is also due in part to the fact that news of all kinds, including market news, now circulates with a freedom never before attained. Freight transportation is more efficient than it has been for some years. Since 1914 there have been notable increases in the capacity of many important industries, in some lines materially greater than present and prospective demand. Under these conditions the motive for ordering far in advance is lacking. The fact that consumers in the remotest areas of the country now insist that their purchases shall meet metropolitan standards is also a powerful influence tending toward a hand-to-mouth policy. The day has passed when merchants can order safely for a year or even for a half year's requirements. We have entered into a period of active competition when efficient organization, selling skill, and economy in every direction are necessary if satisfactory profits are to be made.

ALBERTA'S PER CAPITA WEALTH

CALGARY.—The value of all crops, including root, vegetables, alfalfa and other fodder crops, is conservatively estimated at $100,542,204. The value of dairy products is $150,486,519, and livestock $112,691,132. Taking the population of Alberta as 650,000, if the province's wealth were divided up equally, every man, woman and child in the province would receive approximately $600.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

OTTAWA.—The following rulings of general interest are being given to customs officers.

Re tariff status of malleable iron castings for mowing machines, harvesters, binding attachments and reapers:

(a) When in the rough as taken from the moulds and not advanced in manufacture in any way, except being cleaned by rattling and having the gates removed—(1) Tariff item 445 (a) when imported by manufacturers for use as specified in the item. (a) Tariff item 453 when otherwise imported.

(b) When drilled, machined or otherwise manufactured into condition ready for use as "complete parts" of the implements specified, tariff item 445, irrespective of whether imported by manufacturers of agricultural implements or others.

Artificial flowers for decorative purposes when the stems are over 12 inches in length, although similar in the size of the flower to those used on hats, are considered not suitable for ornamenting hats and are therefore not entitled to entry under item 634.

Lap welded well casing is not entitled to free entry under tariff item 469 as it is not "drawn or seamless."

What Canada Sells—and Buys

What does Canada sell to the various countries of the world? And what does she buy? Poring through government blue books to find this information is a ponderous job for the busy importer or exporter, and to make that unnecessary is the purpose of this series of records of the imports and exports of Canada as regards the important nations we trade with.

All imports and exports are shown where the amount exceeds $100,000, and round figures only are given. The record is based upon the 1923 trade figures. Manufacturers and others interested in foreign commerce are urged to save these compilations, which will run for twelve weeks and cover the principal countries of the world.

United States (Imports)

The United States is Canada's biggest market and also ships us more goods than any other nation. Our imports from the United States amounted to $540,000,000, or no less than 67.4 per cent. of our total imports. The imports in alphabetical order were as follows:

Amusement and sporting goods	$ 2,700,000
Automobiles	13,500,000
Automobile parts	14,100,000
Binder twine	4,800,000
Books and printed matter..	8,600,000
Butter and milk products .	900,000
Chemical products $18,300,000 including:	
Dyes and tanning materials	2,800,000
Paints	2,500,000
Soap	1,100,000
Fertilizers	1,500,000
Medicinal drugs	1,100,000
Clay and clay products	2,800,000
Clocks and watches	900,000
Coal, anthracite	25,700,000
Bituminous	40,600,000
Coke	4,300,000
Cocoa	1,400,000
Copper—bars, rods	4,000,000
Sheets	500,000
Tubes	200,000
Ingots	500,000
Scrap	300,000
Other copper	600,000
Corn	7,800,000
Cotton, raw	28,300,000
Manufactured	19,400,000
Diamonds	2,000,000
Eggs	2,500,000
Electric apparatus	10,400,000
Engines, Internal comb. ..	5,000,000
Steam	1,500,000
Fish	1,100,000
Fish lines and nets	1,100,000
Flax, hemp, jute, linen	2,700,000
Films, motion picture	1,500,000
Fruits, preserved	1,000,000
Dried, prunes, etc.	6,200,000
Apples	800,000
Bananas	4,200,000
Oranges, grapefruit	6,200,000
Other fresh fruit	4,900,000
Furs and furskins	5,800,000
Glass and glass ware	3,100,000
Gums and resins	2,200,000
Hardware and cutlery	2,200,000
Hats and caps	2,600,000
Hay	600,000
Hides and skins	3,700,000
Implements, farm	8,400,000
Iron ore	2,100,000
Iron, pig, blooms, etc.	1,300,000
Iron pipes and tubes	2,500,000
Leather	3,100,000
Leather goods	1,700,000
Machinery	22,600,000
Meats, fresh pork	5,100,000
Pork in brine	1,400,000
Bacon and hams	700,000
Other	1,700,000
Musical instruments	2,300,000
Nickel	1,[illegible]00,000
Oils and fats, animal	2,800,000
Oils, vegetable, food	400,000
Not food	4,700,000
Paper	7,200,000
Petroleum and asphaltic product	29,300,000
Railway cars, etc.	1,200,000
Rice	800,000
Rolling mill products	30,000,000
Rubber, crude	3,400,000
Tires	1,300,000
Other manufactures	2,000,000
Salt	700,000
Scientific and educational equipment	2,400,000
Seeds, clover, timothy, etc.	2,000,000
Settlers effects	5,000,000
Ships	1,900,000
Silks	2,700,000
Silk goods	5,900,000
Stone and products	3,500,000
Sulphur	1,700,000
Sugar	4,100,000
Tin foil	400,000
Tin bars	500,000
Tobacco, unmanufactured ..	4,700,000
Manufactured	200,000
Turpentine	1,200,000
Vegetables	3,800,000
Wood, lumber	9,700,000
Manufactured	6,400,000
Wool, raw	800,000
Woollen goods	3,300,000
Zinc and products	400,000

Next week: Exports to the United States.

Incorporated 1855
Capital and Reserve $9,000,000.

THE MOLSONS BANK

Your Business needs Our Service

Over 125 Branches in Canada, manned by an experienced and highly efficient staff are at your disposal. Every demand that you can reasonably make on a bank will be promptly and courteously met.

EDWARD C. PRATT,
General Manager

1-523

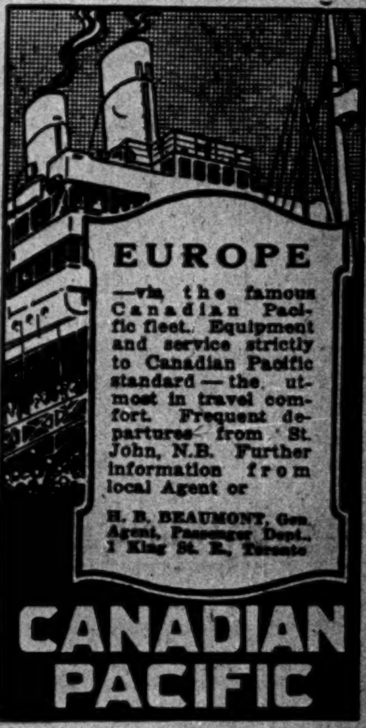
Robert Cassels W. G. H. Browne
A. M. Brown

Cassels, Browne & Co.

Members Toronto Stock Exchange

601 Colonial Building
TORONTO

Direct Private Wire to New York, Chicago and Washington



EUROPE

—via the famous Canadian Pacific fleet. Equipment and service strictly to Canadian Pacific standard — the utmost in travel comfort. Frequent departures from St. John, N.B. Further information from local Agent or

H. B. BEAUMONT, Gen. Agent, Passenger Dept., 1 King St. E., Toronto

CANADIAN PACIFIC

DOUBLE DIAMOND LUMBER COMPANY
Limited
Timmins Ontario

Rough and Dressed LUMBER

Ties, Timbers, Cedar Poles

Good Service
Better Lumber

WESTERN BOND ISSUES

We Specialize in Western, Provincial, Municipal and School Bonds

Lougheed & Taylor, Limited
CALGARY, ALTA.

LEGAL

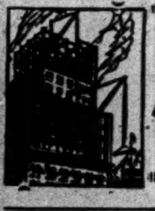
PROUDFOOT, DUNCAN, GILDAY & TISDALL
Barristers and Solicitors
LEWIS DUNCAN
Counsel in Bankruptcy
Author of "The Law and Practice of Bankruptcy in Canada."
Federal Building, 85 Richmond St. W., Toronto, Canada.
Cable Address: Proudfoot, Toronto.

PATENTS

S. R. W. ALLEN
Solicitor of Patents
Patents and Trade Marks in all Countries
Validity and Infringement Investigations
11 Place d'Armes, Montreal

CONTRACTORS

Anglin - Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX



SHARP and HORNER
Architects
73 King St. West
TORONTO

THE FOUNDATION COMPANY
LIMITED
ENGINEERS — CONTRACTORS
Upon past achievement rests the measure of future confidence. Upon the equipment immediately available depends the ability to accomplish the task in hand. We point with pride to our Engineering successes in the past and invite enquiries as to our present establishment.
DRUMMOND BUILDING
MONTREAL

BEAUBIEN, BUSFIELD & COMPANY
CONSULTING ENGINEERS
2 PLACE D'ARMES, MONTREAL
De Gaspe Beaubien J. L. Busfield

Geo. O. Merson, C.A., A.C.I.S.
W. F. Williams, C.A.
Geo. O. Merson & Co.
Chartered Accountants
807 Lumsden Bldg. Toronto

SECURITY—*THEN PROFIT*
A. ANGUS MACDONALD & COMPANY
Investment Securities
C.P.R. BLDG. TORONTO

JAMES W. SEWALL
Forest Engineer
ESTIMATES SURVEYS
FINANCIAL AID
Old Town, Maine 921 15th St., N.W. Washington, D.C.
Largest Cruising House in America.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

PAST YEAR ONE OF GOOD PROFITS; LABOR GOT SHARE

Average Prosperity Noted; With Activity on Large Scale

FARMERS DO BETTER

His Dollar Shows Improvement—U.S. Railways Had Pretty Fair Year

By HAYDEN STONE & CO., Boston.

The past year was one of more than average prosperity. Activity has been great. Profits have been for the most part good, but scarcely in proportion to volume. Labor has been fully employed at high wages, so much so in many cases as to consume the greater proportion of receipts.

In agriculture there has been some improvement. The farmer's dollar has increased slightly in purchasing power, but is still well below parity. The wheat farmer is at a decided disadvantage. The course of this has demonstrated the fallacy of attempting to support prices by artificial means such as a high tariff where there is a large exportable surplus coming into competition with unusually large surplus from other countries. The experience of Argentina in fixing prices affords a good object lesson. Of recent weeks, the price of wheat and corn has again fallen off and the outlook for large purchases by the agricultural sections is not good.

Cotton has been extraordinary. The price has compensated for a short yield. The country, however, has so far been able to exist on previous stocks and has refused to buy goods based on current high prices for the staple. It remains to be seen whether the extraordinarily high price is more than temporarily beneficial.

Railroads have demonstrated above all two things: First, a high degree of efficiency under private management, and secondly, that the country can afford to pay for good service. With no increase in the mileage, railroads have moved much the largest volume of business ever offered to them without a hitch. They have, as a result, shown good earnings, though still less than their invested capital is entitled to. For the first time in recent years a few of the strongest companies have been able to finance with stock issues. Perhaps one of the most important results obtained has been the demonstration of the fallacy of which so much was heard a couple of years ago that reasonably generous rates impede the flow of traffic. Barring mischievous legislation or unwarranted labor troubles, the outlook is good.

Largest Since War

Steel, with a production of 43,000,000 tons of ingots, shows the largest volume since the war; while the total is satisfactory, analysis shows that labor is getting the lion's share of receipts. The yield of the invested value is small. Railroad equipment business has been the largest in ten years and the profits have been accordingly large. The leading equipment companies are now in splendid shape. The railroads would seem to be quite well supplied.

Automobiles: The year has been by far the greatest in the history of this industry, both as to volume and profits, and deservedly so as motor car makers have steadily given more value for the dollar received. The tendency is towards larger units by which only low cost can be secured. Plans for next year are extremely ambitious—we fear rather too much so.

Oil industry started the year auspiciously with price advancing; this soon had to give way to an unexpected flood from Southern California, and later from Texas. There was a great difference in profits between the first and second half of the year. The small companies have suffered, but the well intrenched have secured a large supply of crude oil at low figures. The year ended with production falling, with supply large, but not too large, and good prospect for 1924.

Sugar producing companies have had a better year than earlier prospects indicated. Supplies, both visible and invisible, are small, and there are prospects for another good year. The refining end of the business has not been profitable.

Copper rose to 17c. in the spring. but the great supply of low-cost metal soon forced prices down. Only a few of the lowest cost producers have made any money. Consumption, however, has been large and with only about one month's supply on hand, with a continuation of active business, the outlook is reassuring.

Coal: The bituminous industry has again demonstrated the over-supply of labor. There is here a thoroughly unsound condition.

Rubber: The footwear business has been good as a result of the severe weather of last winter. Tire business has demonstrated excess manufacturing activity and intensive competition, but on the whole some improvement.

Leather might be summed up by saying business has been poor, but seems to have hit the bottom.

Fertilizer: Still suffering from inflation and deflation. Profits have been meagre, but seem to be on the upgrade.

Manufacturing: Results show wide variation, and a few have been very profitable, but on the whole there has been intense competition and this promises to be a more prominent feature in 1924.

Financially, the year has been one of general ease and of large issues. Many frozen loans have been finally thawed out. The outstanding feature has been easily Secretary Mellon's proposal for tax reduction. While the largest aggregate savings under this plan would be made on moderate incomes, from a business standpoint, the important consideration is the reduction of taxes on the larger incomes, as only thereby will capital be returned to productive industry. We wish we could feel surer than we do that this feature will become law.

1923 has been on the whole a year of satisfactory achievement. The prospect for 1924 is such as to afford a good deal of confidence, but hardly such as to anticipate such extraordinary results as would instill enthusiasm over common share equities from this level.

FIND A METHOD OF MAKING BRIQUETTES

Saskatchewan Char Problem Solved at North Dakota Plant

REGINA.—The announcement made in THE FINANCIAL POST over two months ago that the problem of carbonizing Saskatchewan lignite had apparently been solved and that no great difficulty was anticipated in the purely mechanical difficulty of briquetting the carbonized char has been proven correct. The new Hood-Odell oven erected at the Lignite Utilization plant at Bienfait, is turning out char in large quantities, and complete success has been attained in briquetting this char at the briquetting plant in Hebron, North Dakota. Two carloads of the briquettes have been manufactured, one carload distributed to a large number of homes in Regina, where thorough tests in cooking ranges, furnaces, and fireplaces, will be made, and another carload shipped to the Bureau of Mines at Ottawa, where exhaustive tests will be carried out.

At a conference at Ottawa, a three-month program of experiments was decided on, Saskatchewan and the Federal governments to pay, Manitoba having withdrawn. The Hebron test followed.

The briquettes are said to be of high quality. Costs yet are unknown. It may be that the experiment may have to be carried further to determine whether or not it is commercially successful. The provincial heads are still pressing the Federal government to shoulder the responsibility, which they assume by keeping our resources under their control, and bear their share of the cost to finish the experiment, provided it is demonstrated that a complete process of carbonizing and briquetting has been evolved.

EQUIPMENT FIRMS EXPECT GOOD YEAR

A Continuance of Buying is Expected from Railways of the Country

The various railway equipment firms such as Canadian Locomotive Co., Canadian Car & Foundry Co., etc., are looking forward to a fairly good year in 1924. C. P. R. has decided to proceed with the construction of 300 freight cars, and specifications for the material required are now under preparation. Locomotive builders are busy preparing estimates on a number of locomotives for the National Railways and there is at present under consideration a substantial increase in the rolling stock in the Canadian National which is very likely to be favorably decided upon within a short time.

The car companies are estimating on a number of jobs, and if they are successful in securing only half of the contracts they are figuring on, it will provide capacity work for the various shops for at least half the coming year.

As the head of one of these corporations put it, there has been very limited equipment buying in Canada during the past few years, and the companies are decidedly optimistic as to the number of orders likely to be issued in the near future. This they feel despite the fact that the increase in efficiency of the railroads in handling equipment eliminates loss of time in loading and unloading of cars and thus permits the railroads to get on with less equipment nowadays, notwithstanding the fact that the tonnage moved is substantially increased. It is felt by the equipment men that this condition is responsible for the delay in placing further large equipment orders.

It is quite obvious, of course, that, no matter how well railroads operate equipment, there is a certain point beyond which they cannot increase their efficiency. From that time on, new equipment will be needed to take care of not only replacements but also the natural requirements in respect to growth.

Robert J. Magor, president of the National Steel Car Corp. of Hamilton, states: "Generally speaking, the average requirements of forty odd thousand miles of railroad which we have in Canada should keep the car builders of this country running continuously, but, of course, at a reduced capacity."

The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at the head of the lakes, also Vancouver, B.C., for the period from September 1st, 1923 to December 21st, 1923.

	Fort William & Port Arthur	Vancouver
Wheat	206,399,946	10,884,882
Oats	22,398,008	93,340
Barley . ..	9,065,030	......
Flax	3,090,636	......
Rye	3,678,571	89,606
Total	244,632,191	11,067,828
Same period, 1922	214,168,470	6,069,577
Increase over last year	30,463,721	4,998,251

RADICAL CHANGES IN SELLING PLANS TO REDUCE COSTS

Canadian Manufacturers Adopting New Methods of Selling and Discount

OTHERS WATCHING

Roofing Producers and Tire Manufacturers Are Showing Way—Standardization Move Grows

Changing conditions of merchandising which are always associated with the condition of business bring out some interesting developments in regard to policies in selling, according to recent information secured by Hardware and Metal. Following the post-war boom when great expansion took place in buying power and production, a period of readjustment set in. This brought some pinching of the shoe in places, but is now becoming fairly well adjusted to more normal conditions. Competition for business is more keen, more efficient methods are being brought into use so that profits may be made. This appreciation of the need for economy has made itself felt, judging by the manner in which retailers have been studying how to clean up stocks and speed turnover. Standardization of stocks has also been a big factor.

Something akin to standardization and readjustment is now commencing among certain manufacturers with the idea of curtailing or eliminating any opportunity for the looseness in selling which constitutes a big leak for profits, and also for the purpose of establishing the most efficient and economical means of distributing their commodity to the ultimate consumer. It is possible that these developments may be but the forerunner of others, and there is a strong possibility of the extension to other lines of hardware manufacture, of certain of the new selling policies being adopted now by some manufacturers.

For some time manufacturers of roofing have been selling their product in a highly competitive field, on the basis of six classifications of buyers, including jobbers, carload buyers, fill-in carload buyers, 100 roll buyers, central distribution or pool car plan, and less than car lot buyers. These were the development of a considerable period of merchandising and were made necessary due to the increasing demands for special concessions being made by certain types of buyers who considered themselves entitled to special consideration. Many other manufacturers face the same situation. Some wholesalers and retailers demand jobbers' or other attractive prices based on the claim that their order is larger than someone else's.

It was found by the roofing manufacturers, however, that this plan of trying to satisfy the individual whims of each customer was cutting seriously into profits through slowing up the salesman's efforts, increasing the amount of accounting necessary and making it difficult to establish a proper basis for business transaction. The result is that this plan is now undergoing change, and in future there will be only three general classifications entitled to special prices on roofing, namely, jobbers, carload buyers, and less than carload buyers. Provision is also made that these three classifications are to be strictly adhered to, no room being left for buyers to request special service on splitting up of car lots, etc., which will cause the manufacturer added expense. These new terms are effective January 1, and manufacturers expect they will be enabled to make a fair profit on their product and clear up a selling policy which has caused much trouble. A number of retailers who secured special concessions under the previous plan are wondering what the change means.

Tire manufacturers in making an alteration of discounts in the last few days have given confirmation of the success of an unique plan of selling which has been tried out by them in various forms during the last two or three years. The plan involves the extension of special quantity discounts based on a dealer's total volume of purchases during a year. In the year 1922 these manufacturers had a collective scheme for special rebates to retailers, according to quantity purchased in a year. This rebate applied to the retailer purchasing various quantities of goods, irrespective of whether he bought from one manufacturer or a number of manufacturers within the group adhering to the plan. Thus the total of his purchases from any and all of such manufacturers for the year was the basis on which his rebate was allowed. This scheme encouraged shopping within the group of manufacturers involved and resulted in the establishment of numerous small accounts from the same merchant on the books of various manufacturers. It was, therefore, changed the following year so that the retailers' purchases from only one manufacturer in the group could be taken as the basis for rebate. This plan encouraged the retailer to establish one account with one manufacturer for his rubber goods for the season. Manufacturers state this latter plan has worked out admirably, there being fewer accounts, and these are for larger business than formerly. The manufacturer gets to know his customer better, the salesman's work is facilitated, and bigger business is secured with lower costs.

A further change made a few days ago extends the volumes of business on which rebate is allowed. Where formerly they were $2,500, $5,000, $10,000, $15,000, $20,000, and $25,000, they now include $2,000, 3,000, $4,000, and from $5,000 to $25,000 by the former graduations. This enables a retailer to get a little better rebate for a few hundred dollars more business where formerly the first figure had to be exactly doubled in order to receive a higher rebate.

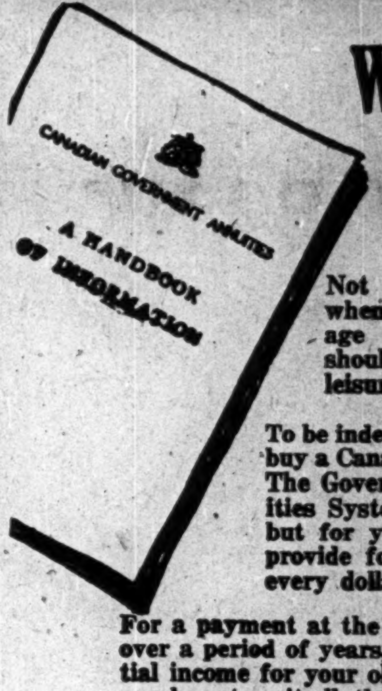
Other changes in selling policies involve more direct marketing of certain products from manufacturer to the retail trade, in certain parts of the country. There have been a num- of instances recently where manufacturers have declared themselves as adopting this policy exclusively. Another interesting change is the policy announced by a U. S. manufacturer of certain kitchen utensils which involves the adoption of the decimal system, the establishment of one price to consumers all over the country, with uniform profit to retailers, and of direct replacements from consumer to factory. A number of Canadian manufacturers are watching the development of new selling policies closely and there is a possibility of certain of these selling plans being extended to other lines in the future.

ALBERTA'S COAL RECORD

CALGARY.—A new record in Alberta coal production will be shown for 1923, judging from preliminary reports which have been received here. It is expected that the total output will reach at least 7,000,000 tons, in comparison with less than 6,000,000 tons last year. The mining payroll this year, it is said, will exceed $18,000,000.

The Trend of Business
TO forecast correctly trade developments is of vital importance to the man of business.
Our Monthly Commercial Letters, which will be sent on request, contain analyses of agricultural and trade conditions of great assistance in reaching sound conclusions.
672
THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

Banking Service That Travels with You
WHEN you are preparing to travel the question of carrying your money safely may puzzle you.
The Manager of our nearest Branch will solve this problem for you, however. He can forward your money safely wherever you wish to go, so that it will be quickly and conveniently available as you require it.
Because we have over 550 Branches in Canada and Newfoundland and 110 abroad, as well as correspondents in all parts of the world, he can give you an introduction anywhere you may want to travel.
Letters of Credit, Travellers' Cheques, Drafts, Money Orders, Money Transfers.
For Safety and Convenience.
The Royal Bank of Canada



When No Man Can Work
Not only "the night cometh, when no man can work," but old age comes, when every man should be able to enjoy his leisure.
To be independent in your later years, buy a Canadian Government Annuity. The Government operates the Annuities System, not for its own profit, but for yours, to encourage you to provide for your old age. You get every dollar that your money earns.
For a payment at the rate of a few cents a day, over a period of years, you can secure a substantial income for your old age. There are plans of purchase to suit all, the young and the elderly, the married and those who have dependants. No medical examination is required.
For full information, fill out this coupon immediately and mail it as directed. No postage necessary, as it is Canadian Government business.
Mail This Coupon—No Postage Needed
To Department of Labour,
Annuities Branch,
Ottawa, Ont.
Please send me the "Handbook of Information" and full particulars as to cost of a Canadian Government Annuity. My age last birthday was .... years.
Full Name ....
(State whether Mr., Mrs., or Miss)
Post Office Address 15
Issued by: Department of Labour, Annuities Branch, Ottawa.

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
Toronto Royal Bank Bldg.
364 University Street Montreal
New York Equitable Bldg.

January Bond List

Our January offering list contains Government, Municipal and Corporation Bonds yielding from 5% to 6½% income return.

A copy will be forwarded upon request.

DOMINION SECURITIES CORPORATION LIMITED
HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

News and Views for Investors

ALGOMA STEEL

Algoma Steel turnover in 1923, $13,000,000, as compared with $9,500,000 in 1922. Exports this year totalled $1,125,000, mostly pig iron and sulphate of ammonia. Pig iron orders on hand total 37,500 tons, and small orders for ammonia and coke. Though no steel orders are on hand, Pres. W. C. Franz looks for an improved demand for steel products on the turn of the year.

MANITOBA BRIDGE

Unfilled orders of Manitoba Bridge, Winnipeg, are about 15 per cent. of one year's output. While the company has not exported any material, the increase in volume of sales the past year over 1922 has been 40 per cent. There are 250 employees on the payroll now, which represents an advance of 40 per cent. over last year. The prospects for this year are reasonably good they say.

IMPERIAL OIL

Canadian Oil shares continue in active demand with Imperial in the lead and selling up to 120. There was a slight reaction a few days ago which was attributed to profit taking. The fact is that the Toronto sales were negligible, though New York sales were fairly substantial. The decline, however, was just following a similar decline in International Pete. A recovery has since been made.

FORD EXPANSION COST

Contracts awarded and orders placed for further work on Ford plants, at Ford and Toronto total $4,850,000. The present construction should be completed this month, according to P. W. Grandjean, secretary of Ford of Canada. Total employees are now 4,615, as against 3,104 a year ago. Construction expenditure for the year to date is given as follows: Normal additions, $212,359; Calgary, $184,616; Ford, $4,437,858; Toronto, $713,531; Total, $5,548,364.

MUTUAL OIL

Mutual Oil production is said to be [illegible] barrels weekly, mostly from Wyoming. The market price on contract is [illegible].10, with the present contract 3 months to run. The company is again into the Teapot Dome fracas, having entered a new bid for the lease. The company was on this lease a year ago but was expelled by the U. S. Marines. In the meantime the proceeds from the sale of 300,000 barrels of oil, value about $450,000, is tied up awaiting final adjustment of the dispute.

BRAZILIAN TRACTION

Holders of Brazilian Traction and Sao Paulo bonds will be interested in the rapid growth of the latter city. As an indication of the prosperity of Sao Paulo, it is said that the real estate business is brisker than ever before in the history of the city. There are many real estate companies selling land not only in the city, but also large tracts in the interior of the States of Sao Paulo and Matto Grosso. It has been estimated that the daily turnover in this line in the capital itself is around 600,000 milreis, 85 per cent. of which represents investments in lots.

A number of new suburban places have been recently opened, where lots in undeveloped sections are quickly disposed of at high rates.

The principal reason for the advance is the rapid increase in the population of the capital and other points of the State based on the great industrial and agricultural development.

GENERAL ELECTRIC

Reference was made a couple of weeks ago in these columns to the Canada Cement Co., and the Dominion Bridge Co., which has benefited by the expansion in water power development in Canada. Another company that should be added to the list is the Canadian General Electric Co. The many new installations of generating equipment that have been in progress and that are planned have been of benefit directly to Canadian General Electric and also indirectly in providing increased use of electricity and hence of electrical equipment outside of the generating machines.

There is an increased demand for distributing material, followed in turn by demands for motor and accessory equipment, lighting supplies, household appliances, etc. J. J. Ashworth, who is general manager of Canadian General Electric, is authority for the statement that on the whole prospects are brighter than they have been for some time for the electrical industry.

NATIONAL STEEL CAR

Equipment sales of National Steel Car last year were $9,307,094, against sales of $1,597,265 in 1922. In motor trucks, sales were $800,728, and in 1922, $1,485,275, export sales amount to approximately six and one-half per cent. the total business done.

Approximate volume of unfilled orders now on books is $850,000. Our average number of employees for 1922 was 7,485 and for 1923 has been 12,550.

Limited equipment buying has taken place in Canada during the past few years. It seems as though the near future would see a large number of orders issued, says Pres. R. J. Magor, who adds that they must appreciate the fact that the increased efficiency of the railroads in handling of the equipment eliminates loss of time in loading, moving and unloading of cars, permitting the railroads to get on with less equipment nowadays, notwithstanding the fact that the tonnage moved is substantially increased. It is quite evident that this condition is responsible for the delay in placing further large equipment orders.

People Solid for Tax Reductions, Says Banker

Staff Correspondent.

NEW YORK.—Great benefit will come to business from the tax reductions proposed by Secretary of the Treasury Mellon, it was stated by Charles E. Mitchell, president of the National City Company, in speaking to THE FINANCIAL POST.

Concerning the prospects in the United States for 1924, Mr. Mitchell said: "The coming year can be faced with confidence. Never was there such solidarity among the people of the United States as has greeted the Mellon tax reduction plan. This is financial statesmanship of a high order, and, when in effect, will release much money for investment in industrial enterprises. Industrial expansion will bring its share of prosperity without the danger of inflation which the after the war experience has taught us to avoid.

"President Coolidge is a factor in the feeling of confidence which is abroad. He is recognized as an able, hardheaded, steady Yankee. I do not look this year for the usual instability and unsteadiness in business and finance usually connected with a presidential election year."

BROKERAGE HOUSE CHANGES

K. R. Schofield has retired from the brokerage firm of Johnston & Ward, Montreal and Toronto Stock Exchange members, and Messrs. C. H. Lewis, G. E. Leslie and D. MacLeod have joined the firm. Mr. Lewis, brother of the late Sir Frederick Orr Lewis, has been a member of the Montreal Stock Exchange since 1914. Mr. Leslie, manager of the Halifax branch of Johnston & Ward, has been connected with the firm since 1906, and Mr. MacLeod, investment manager, since 1909.

Public Utility Earnings

Barcelona Traction

November—	1923	1922	Change
	Pesetas	Pesetas	Pesetas
Gross	4,669,114	4,478,246+	190,868
Exp.	1,690,824	1,681,450+	9,374
Net	2,978,290	2,796,796+	181,494
11 Months—			
Gross	46,099,472	42,193,291+	3,906,181
Net	26,522,981	25,689,625+	833,356

Brazilian Traction

November—	1923	1922	Change
	Milreis	Milreis	Milreis
Gross	21,438,000	17,735,000+	3,703,000
Exp.	8,726,000	6,495,000+	2,231,000
Net	12,712,000	11,240,000+	1,472,000
11 Months—			
Gross	225,401,000	179,876,000+	45,525,000
Net	135,390,000	113,103,000+	22,287,000

British Columbia Electric

October—	1923	1922	Change
Gross	$ 883,365	$ 861,812+	$21,553
Expenses	625,532	604,573+	20,959
Net	257,833	257,239+	594
10 Months—			
Gross	8,440,242	8,375,461+	64,781
Net	984,840	948,336+	36,504

Cape Breton Electric

October—	1923	1922	Change
Gross	$59,380	$57,788+	$1,591
Exp. & Taxes	47,098	45,067+	2,031
Net Earn.	$12,282	$12,721—	$ 439
Int. Charges	5,697	5,654+	43
Bal. (for res., replace. & dividends	$ 6,585	$ 7,067—	$ 482
12 Months to Oct. 31—			
Gross	$696,822	$627,238+	$69,083
Exp. & Taxes	609,478	555,205+	54,273
Net. Earn.	$ 86,843	$ 72,032+	$14,810
Int. Charges	67,640	67,340+	300
Bal. (for res., replace. & dividends)	$ 19,203	$ 4,692+	$14,510

Porto Rico Railway

November—	1923	1922	Change
Gross	$ 117,152	$ 110,991+	$ 6,161
Net	55,772	40,464+	15,307
11 Months—			
Gross	1,203,959	1,209,651—	5,692
Net	391,503	479,952—	88,448

Winnipeg Electric

October—	1923	1922	Change
Gross	$ 437,039	$ 459,097—	$22,058
Expenses	297,698	317,960—	20,267
Net	139,346	141,137—	1,791
10 Months—			
Gross	4,360,236	4,[illegible]7,601—	27,365
Net	1,818,312	1,[illegible],482—	5,170

THREE PROVINCES TAX THE INCOMES OF THEIR PEOPLE

In Two Provinces There is No City or Provincial Income Tax

By Citizens' Research Institute.

Canadian provinces in the application of income taxes for local purposes may be divided into three classes:

1. Those in which no provincial or municipal income tax is general.
2. Those in which an income tax is levied for provincial purposes.
3. Those in which an income tax is levied by the municipalities for municipal purposes.

Those in which no provincial or municipal tax is general are the provinces of Alberta and Quebec.

Where Provinces Tax Incomes

Those in which an income tax is levied for provincial purposes, are British Columbia, Manitoba and Prince Edward Island. In arriving at the class of incomes and the amount thereof to be taxed, the rules applied are fairly general. Some idea of their scope is given below, although a discussion of all the variations is not practicable in a report of this character.

Certain incomes, such as those of lieutenant-governors, members of His Majesty's forces, farmers from the farm, fraternal societies, municipalities and the like are usually altogether exempt. A stated amount of income is usually exempt in all cases and in British Columbia and Manitoba an extra allowance is made for married persons. Some allowance is also made for dependents in these two provinces. Provision is usually made in order that shareholders of companies already taxed under the law shall not again be taxed on profits distributed. Certain amounts, such as depreciation, etc., are allowed in calculating taxable income.

British Columbia:—The tax is levied on net income and is at the rate of 1 per cent. on the first $2,500; 2 per cent. upon the amount exceeding $2,500 but not exceeding $3,500, and so on by increasing grades and amounts until 15 per cent. is levied on the net income exceeding $19,500, but not exceeding $25,700. On incomes greater than this latter amount a straight 10 per cent. is levied upon the whole net income.

Rebate. The following rebates are allowed, to be computed at the rates upon which income tax would be levied under the Act upon like amounts. For a married person: $1,500; single person, $1,200; $200 for each dependent supported and also amounts paid for life insurance premiums, provided these do not exceed 1/6th of the net income.

Manitoba: In this province an exemption is allowed to unmarried persons of $1,000, and $2,000 to others, and in addition $300 for each dependent supported, plus a stated allowance for life insurance premiums.

The rates on the taxable income are as follows: 1 per cent. on the first $1,000 taxable; 1½ per cent. upon the second $1,000; 2 per cent. upon the third, and so on by increasing grades and amounts until on the thirteenth $1,000 and all taxable income in excess thereof the tax is 7 per cent.

In the case of those persons entitled to an exemption of only $1,000, the above rates are increased throughout by 1 per cent.

Prince Edward Island: Income up to $500 is exempt. Above that amount the following rates are levied: up to and including $500 at 1 per cent.; where the total taxable exceeds $500 and does not exceed $1,000, the tax is 1½ per cent. upon all taxable income; and so on by increasing grades and amounts until, when the taxable income exceeds $20,000, the tax is 10 per cent.

Those in which an income tax is levied by the municipalities for municipal purposes, are Saskatchewan (cities, towns and villages only); Ontario, Nova Scotia and New Brunswick. The exemptions and allowances follow much the same lines in this group as in the previous group. Each province has, in addition, some peculiarity in its method of arriving at taxable incomes:

In Saskatchewan an exemption is allowed of $1,000 generally, and $2,000 in the case of a married person, with an additional $200 for each dependent supported in each instance. Also, when a person is assessed on land and buildings in a municipality and also on income from wages and salary, he is liable to pay only the amount on which the income exceeds that on land and buildings, if any. A similar principle applies if a person in a municipality is taxed on business or special franchise and income.

In Ontario the amounts exempted are: Householder in city or town $2,000; non-householder $1 000; residents of other places, if householders, $1,700, others $800. Smaller exemption is made when income is strictly from investment. Rent or income derived from real estate is exempt, except for interest on mortgages. The income tax in this province is also, to a certain degree, supplementary to the business tax, as in many instances, where the business is taxed, the individual's income from that business is subject to taxation only by the amount by which it exceeds the business assessment.

CHESTER CONCESSIONS TO SWISS

The latest report on Chester Concessions is that the Americans have lost out entirely, the balance having been assigned to a Swiss syndicate by the Angora government. A special cable to the Mail and Empire, Toronto, says the new syndicate has offered to advance the Turks money to buy back the Anatolian railway. In return, the syndicate is to be allowed to run the railway for the Turkish Government and receive concessions to rebuild Angora, construct ports and work mines.

Trade With the States Increased Last Year

WASHINGTON. — Imports from Canada to the United States show an increase for the month of November, as compared with the same month in 1922. The figures are $38,452,037, as compared with $34,453,896. Imports from the United Kingdom, second in the list, were $27,768,887 for November, 1923, as against $33,665,362 for November, 1922.

Exports to the Dominion for November last were $45,743,430, against $55,988,970 for the corresponding period of 1922. Exports to the United Kingdom were $99,731,714 against $89,681,855.

HEAVY INCREASE IN MINOR ACCIDENTS

Sent Cost of Compensation in Ontario for 1923 up Nearly Half Million

Total industrial accidents in Ontario in 1923 were over 10,000 more than in 1922. This fact was forecast sometime ago by THE POST, in dealing with the outlook for the Workmen's Compensation Board. The 1923 total was 61,109; 1922, 50,411. Fatalities, 1923, were 379; 1922, 418. This indicates that the growth in accidents was due to minor cases which have continued to develop. Many of these are cases that a year or two ago would never be reported. Benefits paid by the compensation board for the year follow:

1923	$6,173,761
1922	5,692,896
1921	6,189,268

FAVORABLE TRADE BALANCE IN AUTOS

Canada's Exports Run About Fifty Per Cent. of U.S.A. Figures

From Our Own Correspondent.

MONTREAL. — The Saturday Evening Post states that the United States does 85 per cent. of the world's export trade in automobiles. The S. E. P. has exaggerated quite a bit. As a matter of fact the automobile exports of the United States in the first eleven months of 1923 were 126,000 cars. Exports of automobiles made in Canada were 62,000 cars. Month by month Canada exports just about fifty per cent. as many cars as does the United States. Of the American exports about 10,000 have been to Canada.

Canada has a favorable balance of trade in automobiles by a large margin. The figures for the twelve months ended November 30, were as follows:

	1921	1922	1923
Exports From Canada			
Trucks	1,945	2,543	11,136
	$1,017,755	$ 1,109,433	$ 3,973,032
Pass. cars	8,807	31,899	57,358
	$4,304,299	$18,872,122	$29,735,883
Imports Into Canada			
Trucks	982	852	1,331
	$1,903,990	$ 1,608,046	$ 1,836,704
Pass. cars	6,234	10,514	10,448
	$8,589,449	$11,380,377	$10,419,022

WANT MINES BRANCH

U. S. government is being pressed to create a department of mines. Those favoring the move declare it will materially aid many industries. The suggestion came from California.

Current Events in investment circles

Our Monthly Investment Bulletin condenses the latest happenings in the investment world in a few pages. Analyzes conditions of leading companies, gives quotations of representative Canadian issues.

Worth fyling for reference and for checking the trend of your investments.

Let us put your name on our mailing list.

NESBITT, THOMSON and Company, Limited
305-7 Bank of Hamilton Bldg.
TORONTO
Montreal Hamilton
London, Ont. Winnipeg 273

G.A. STIMSON & CO.
EST'D 1883 LIMITED
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
[illegible] KING ST. E. TORONTO

Spencers—Merchant Princes and Farmers of the Western Coast

Famous Cariboo Gold Rush Attracted Welsh Boy and Big Department Store With $2,000,000 Annual Payroll is the Result

It was a long cry from the post of preacher in a little Welsh church to head of a chain of department stores with a payroll of $2,000,000 a year. Yet that tells the life-history of one of Canada's greatest merchants, David W. Spencer, founder of the Spencer stores in British Columbia. The golden jubilee of the first store, in Victoria, B. C., has recently been celebrated by the whole city with a week of festivities—a fitting tribute to the memory of one of Western Canada's outstanding pioneers.

The history of this man is a tale of adventure, courage and perseverance worthy of a place among the great business men of America. From the very beginning David Spencer showed signs of his future greatness. Born of a long line of farmers—men who were so content with the soil from which they derived their bread that they had occupied the same farm for many generations—this boy looked for a bigger field. Born in St. Atham Glamorganshire, South Wales, on August 9, 1837, he was educated at the Cowbridge Grammar School, and was then apprenticed to a draper for five years. Even as a boy with all of the dreams of adventure which must have come to him during those early character-forming days the boy Spencer was at heart deeply religious. At 21 he was a local preacher in the Bridgent and Cowbridge circuit of the Wesleyan Methodist Church. This fervor continued throughout his life, for he was always closely identified with the development of Methodism in British Columbia.

Lure of Goldfields

Into the quiet of the little Welsh village came the rumble of the huge army of fortune-seekers who were wending their way to British Columbia. And David Spencer listened to the echo, for the joy of enterprise was in his heart. In 1862, he and a young Joseph Wilson, started forth. They went from Liverpool to New York, then to Aspinwall, across the Isthmus of Panama by rail and by boat to Victoria.

So many months were occupied in the journey that the first great Cariboo rush had died down when they arrived, for many had sorry tales to tell of their experiences on the Fraser valley; so Mr. Spencer decided to remain in Victoria. The little town still held thousands of men and women too, who were not content to leave until the excitement had subsided. Here was the young man's chance ready to knock right at his door, provided he had that door. He purchased a book and stationery store. And one of the first things he did was to advertise. In the British Colonist, on January 24, 1864, a three-column advertisement told the town that the "Victorian Library" had in stock "Valentines, valentines, sentimental and comic, new and beautiful." He was 21 days ahead of St. Valentine's day; in other words, he understood the meaning of the business slogan of to-day, "Start the demand—don't follow it."

From now on, the story of Mr Spencer's career is rapid and steadily successful. Just seven months after the opening of the bookshop he became interested in a greater enterprise, the dry goods business or, as it was then called, the drapery house of Finlay, Durham and Brodie. He finally disposed of the bookstore and in 1873, he and another young man bought out the dry goods firm under the name of Spencer and Denny. The terms of the buying agreement are unique: The stock, fixtures and goodwill cost the two young men $10,000, and with the exception of $150 a month allowed the partners as living expenses, all earnings were to go to the vendors until the debt was paid. Messrs. Finlay, Durham and Brodie became wholesalers to the new business, who agreed to buy everything from them up to a valuation of $30,000 a year.

The new firm, however, made some very important changes in the way of doing business as it was carried on by the old store. From his experience in the dry goods trade in Wales, Mr. Spencer had gleaned a fairly accurate knowledge of the disadvantages of an all-credit business. He, therefore, offered all cash customers special concessions in buying goods and from the very beginning discouraged the people of Victoria from buying on credit. This step was probably the big corner-stone of the business of the David Spencer Company of to-day.

After five years, the term of partnership having expired, Mr. Spencer opened up a new business at Government Street, near Fort Street, under his own management.

Pride of Victoria

By the year 1882, there were many pessimists who thought the young merchant was too far ahead of the times, so rapid had been the growth of the building. But they did not realize that step by step with the increase in size went a corresponding increase in the volume of business. When a four-story building was finally erected, however, they had learned to appreciate the genius that was behind it and were willing to point with pride to their largest store.

One of the most interesting phases of the whole business was the close touch that was always kept with the markets of Great Britain and Europe. From the days when the youthful Spencer used to advertise that "all the English periodicals were received by every steamer," to those in which he sent his own buyers across the waters, the value of giving the people what they want as soon as they want it, was never lost sight of.

With the completion of the Canadian Pacific Railway to the coast, the store took on all the characteristics of a modern department store. Many other lines besides the original dry goods were added and department heads went regularly to the mills and warehouses of Eastern Canada. The story is told that on one occasion when Mr. Spencer came personally to the Toronto firm of John MacDonald, he made the late senator gasp with astonishment at the size of the order—the largest bill of merchandise ever sold to any merchant.

In 1890, a branch was opened in the little coaling town farther up the island. Nanaimo was just coming into prominence and Mr. Spencer was one of the first merchants to grasp the significance of it. With his usual foresight, however, he first went into partnership, under the name of Spencer & Perkins. In 1894, however, he took over the business completely and the Coal City now possesses one of the most attractive stores, for a city of its size, in the whole Dominion.

The Vancouver store did not come until 1907. So rapid was the growth of this branch that the Spencer Company now owns a whole city block with the exception of one building. When the lease for this expires in 18 months, the Spencer firm will occupy the whole premises with a huge modern structure seven stories high.

Three years after the opening of the store on the mainland, the Victoria house was completely swept away with a loss of $1,000,000. Yet not one of the firm's employees lost a day's employment. Every one became a handy man or a handy woman and within a week the store was ready for business on new premises. The construction of a handsome new building was begun almost immediately, and this is now one of the sights to which the rubber-neck men point as the sight-seeing buses pass by, laden with tourists from all over the world.

Like Father Like Son

Five years after the boy David reached this country, he fell a victim to the arrow-throwing expert called Cupid. Strange to say, however, it was not a girl of the golden west whom he chose but one from his own native England, a Yorkshire lady, who had come out just a year after the Welsh lad arrived. As teachers in the Methodist Sunday school, they first made their acquaintance, and on June 3, 1867, they were married.

Mr. and Mrs. Spencer celebrated their golden wedding in 1917, at which event there were present 13 children and 35 grand-children.

The Spencer family is one of the few instances in Canada in which all of the sons have followed in the footsteps of their father. Five boys remain to carry on the business left by Mr. Spencer's death in 1920. They are: Chris. Spencer, president; T. A. Spencer, vice-president; Col. Victor Spencer, D. S. Spencer, and J. W. Spencer, all directors.

The Spencer stores have had in London, England, for the last 13 years, a buying office with a staff always on hand to see first hand what Great Britain and Europe have to offer. There are several Spencer farms, the largest of which is at Haney, B. C. This maintains its own abattoir on the prairies, and is large enough to supply tons of ham and bacon for the stores' own meat markets. The famous Earlscourt ranch is now owned by this firm. It consists of 700 acres with 16,000 fruit trees. And in Kamloops, B. C., there is a creamery.

These farm pursuits of the organization can no doubt be attributed to Mr. Spencer's early training and his interest in agriculture—the heritage of a generation of farmers.

A feature of the recent golden jubilee celebration was the announcement that 25 per cent. will be added this year to the bonus now given employees, and 2 per cent. for increased business.

CANADA A NATURAL FIELD FOR INVESTMENT OF U.S.A. CAPITAL

(Continued from page 1)

in at some expense, feel the lure of the United States, and emigrate there. I believe your immigration should be encouraged by government assistance and that of such organizations as the C. P. R., with such measure of help as will make the immigrant from the outset feel content with his adopted country.

"There is not much danger from paternalism with the right type of immigrant; the assistance given him will tend to make him satisfied, and will act as an 'immigration tariff,' protecting Canada against his emigration to the United States."

Imagination Is Needed

"The Canadian people have been told recently by a Canadian author that they lack imagination; is that correct?" Mr. Mitchell was asked.

"When one remembers the achievements of those who conceived and built Canada's great railroads, one has to pay tribute to the vision and imagination of Canada's builders. The present time calls for the same vision and imagination. The men now in charge of the larger developments in Canada to-day are men of stamina who are proceeding along sound lines. It is this stamina of your real builders, which is the background of our confidence in Canada's development and future."

Asked if Canada would find in the United States an increasing market for its products, particularly foodstuffs, Mr. Mitchell answered: "With the United States able to produce sufficient for itself of those products which Canada can supply, it will be some time before necessity will demand that Canada be turned to in order to fill a need. Particularly with the present high tariff against Canada's agricultural products. As a matter of fact, the Fordney tariff, in my opinion, in the long run is liable to prove a boomerang to the United States, as it is forcing Canada into the development of an export trade and the use of its own transportation lines and ports. Previously Canadian wheat and cattle were shipped extensively over United States railways."

OWNERS PLEASE TAKE NOTICE

Probably no man ever lived who willingly broke an honest promise, but it is unfortunate that this does not mitigate the hardship imposed by his failure to keep it.

Thompson - Starrett pledges are fulfilled.

THOMPSON - STARRETT Company, Limited
Building Construction

THIS BOND Yields 8%

The issue is a First Mortgage on property and real estate valued at $1,790,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

Why not obtain full particulars to-day?

CREDIT-CANADA
Limitée
Established 1910
120 St. James St., Montreal
SEND ME CIRCULAR C-1
Name ....
Address ....

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

This is an excellent time to have one's investment holdings re-valued.

If you will send us a list of your holdings, we will value them for you, at the present market price, and, if we can, suggest wise "trades."

R.A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

We trade in
UNLISTED
STOCKS AND BONDS
G. C. Williams & Co.
6 King St. W., Toronto
Phones: Adel. 1762-2048-4521

SHAUGHNESSY-MACKENZIE

(Baron's)

In the past fortnight Lord Shaughnessy and Sir William Mackenzie both died suddenly. Shaughnessy had finished, solidified and perpetuated the work of great empire builders. He made "the thin red line" which belts the world a broader, more vital fact. He was possessed of the world's greatest mind,—an Irish mind, and the best type of Irish mind.

The first baron of Montreal and Ashford, county Limerick, shall seldom be recalled by this, but his hand writ deeply into that charter of an Irish Free State which sealed the past and opened the future to a country he did love much.

Forty years ago Mackenzie was building railroad for the Laird of Mount Stephen and Strathcona. Ten years ago he had paralleled that building from coast to coast. To their tremendous problems, new ones were added. He surmounted all, physical, political, financial. When he died there was "room for all" this building.

What is their loss to Canada? It was greater than the death at one time of any two living Americans would be to the United States. Where Shaughnessy and Mackenzie stood is space for many men. Their work will be so divided up. It had outgrown them, even as they were in the heyday of personal capacity.

MELLON PROPOSAL TO CUT TAXATION STIRS NEW YORK

Is Mainly Responsible for Optimistic Outlook for Business

INFLUENCES MARKET

Upward Trend Continues — Canadian Lists Not Out of Holiday Spell as Yet

The Mellon tax reduction proposals seem to be the sole topic of discussion in business and market circles in the U.S. They are in a great measure responsible for the optimistic outlook that prevails for business and so are playing a very important part in the general strength of the New York market. There is a great deal of speculation as to whether the proposals will go through in their entirety. The dampening factor is the approach of the presidential election. It is generally felt however, that Mr. Mellon will get support for his proposal and this is having a bullish influence and driving the New York market up. The firm opinion is that better business will result and the market is out to discount this. Buying has been developing steadily, while the selling has been either for profit taking or to establish tax losses, because of expected revision of income tax laws to limit allowance for losses to 12½ per cent. This latter factor is now believed to be out of the way.

The above seemingly is the true position of the New York market to-day. It is cited fairly fully for the reason that the New York market wields a tremendous influence on the Canadian exchanges.

Another sidelight on the Mellon position is given by Spencer Trask and Co. They touch on the political outlook and compare it with the situation in Great Britain, incidentally expressing the opinion that the feeling in the U.S. is so determined on tax reduction that the Mellon proposals are almost certain to go through. They say:—

"The modifications and revisions as proposed by Mr. Mellon have been approved with widespread acclamation, as they will bring about a very acceptable relief both to those in the lower and in the higher brackets. Due to politics, action on the desired amendments has not as yet advanced as far as had been originally hoped, but the country from one end to the other is so strong and so determined for them that there is no doubt in our minds that they will ultimately be made. Here, as in England, the proper course of parliamentary business is being interfered with greatly by a realignment of parties—in this country by a handful of radicals, in England by a notable increase in the Labor Party. While there is nothing in our political situation to cause serious misgivings, in England the fairly even strength of the three parties, as constituted since the recent election, is creating a considerable amount of uncertainty lest the Conservative Party be unable to carry on, in which event the Labor Party would come into power and thus be in a position to propose a capital levy or other legislation of a disturbing character. It is more than questionable if any such legislation could be actually put through, but even its consideration would be disquieting and harmful to business. As it is, the Pound has been fitfully weak all during the month, although it is still a number of points above the low established in November."

The Canadian lists are quiet. The holiday season let-up continues to prevail to some degree. Trading at Montreal has been quite confined while in Toronto the great bulk of the trading has been in the oils and mines.

MORE BUILDING NOW DONE IN WINTER

Expected That New Figures for Cold Weather Construction Will be Established

CHICAGO.—All records for new building operations were broken last year, and the probability is that this winter will witness continued activity in building lines, says the National City Bank of Chicago. The demand for dwellings, apartment structures and various types of factory, office and business buildings has not been satisfied, and it will take some time to make good the shortage resulting from the virtual abandonment of private building operations at the time of the war. The demand for new apartment structures erected at an expenditure large enough to cut down rentals to a reasonable level for wage earner occupancy is such as to make it imperative to provide for a good deal of new construction along these lines. Construction costs have been lowered in some sections, although they are still far above normal. As compared with the high level of 1923, however, there have been some reductions, and the indications are that labor may be more reasonable in its wage demands, so that the country will be saved from the inconvenience and inaction of another buyers' strike such as was seen in the New York building situation last spring. The enormous demand for lumber and other material for shipment to Japan has also been a factor of late. There is every indication of exceptional activity in building lines next spring, and in order to avoid serious congestion then, it has been urged by building experts that the movement should be pushed vigorously this winter.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter from Dec. 15 to Dec. 21, inclusive, amounted to 7,926 tons, and from Jan. 1, to Dec. 21, 386,117 tons.

NEW MERGER ADDS POWERFUL FRENCH BANKS TO SYSTEM

(Continued from page 1)

investors in the bonds. This is one of the unsatisfactory features of the merger from the standpoint of La Banque d'Hochelaga, but on the other hand the whole deal is contingent upon a loan of $15,000,000 from the Province of Quebec. The bonds will be sold—if necessary— by La Banque d'Hochelaga, but they will be guaranteed by the province and will in effect be a provincial government security. The rate will be five per cent., and the terms forty years. This will give the new bank, which will in all likelihood take the name of La Banque Nationale de Quebec, a good liquid position. The funds that will be made available by the bond issue will not cost a great deal, either in interest or sinking fund payments, but will enable the merged bank to extend its operations considerably.

Mr. Leman General Manager

The new bank will likely have J. A. Vaillancourt as president, Hon. G. E. Amyot as vice-president, four Quebec directors and six from Montreal. In the event of the number of directors reaching twelve, the Quebec representation will be five, and the Hochelaga seven. The head office of the merged bank will be in Montreal, with Beaudry Leman, general manager. An eastern head office will be located in Quebec and will be in charge of Henry Des Rivieres, the present manager of the Banque Nationale.

The amalgamation will bring the closing down of some thirty-two branches of sub-agencies of either of the banks which will become unnecessary.

Means will be taken as far as possible to take care of the 159 employees who will be affected by that closing down.

It is estimated by officials of the Banque Nationale that there will be a reduction of nearly $250,000 in the administration expenditure as a result of the amalgamation.

Notices convening shareholders for the first week of February will be forwarded this week by the Banque Nationale. The delays provided by the law will mean that the amalgamation will not be fully effective before the end of February.

History of Two Banks

La Banque d'Hochelaga was incorporated in 1874 with an authorized capital of $10,000,000, of which $4,000,000 has been subscribed and fully paid up. It is important to note that this institution has a rest account equal to its paid-up capital. The board of directors is composed as follows: J. A. Vaillancourt, president; Hon. F. L. Beique, vice-president; A. Turcot, E. H. Lemay, Hon. J. M. Wilson, A. A. Larocque and A. W. Bonner.

La Banque Nationale was incorporated in 1860 with an authorized capital of $5,000,000, of which $2,999,050 has been fully paid up. Its rest, however, is only $400,000. Hon. George F. Amyot is president and J. H. Fortier, vice president. Other directors are: Sir George Garneau, Hon. Jacob Nicol, E. R. Decary, A. N. Drolet, Nap Drouin, A. B. Dupuis, N. Fortier and C. E. Taschereau.

The position of the two banks as shown in the latest report furnished to the Dominion Government, as of October 31, is as follows:

Liabilities	Hochelaga.	Nationale.
Notes in cir.	$7,526,139	$6,130,320
Due Dom. Govt.	2,325,342	167,699
Due Prov. Govt.	170,453	1,053,907
Deposits, dem.	10,647,624	6,140,825
Do. notice	42,786,230	27,640,732
Dep. outside	......	7,031,954
Due oth. bks. Can.	3,786	10
Do., in U. K.	454,467	2,356
Do., elsewhere	233,589	131,864
Letters credit	571,751	35,648
Other liabs.	......	187,038
Unpaid divs.	1,634	45,699
Rest	4,000,000	400,000
Capital	4,000,000	2,999,050
Total liabs.	$72,721,020	$51,967,107
Dividend rate	10 P.C.	6 P.C.
Directors' loans	$ 522,824	$ 673,912
Assets	**Hochelaga.**	**Nationale.**
Curr. coin.	$ 567,531	$ 419,792
Dom. notes	3,626,256	657,734
Notes oth. banks	1,029,160	488,410
Foreign curr.	90,431	154,197
Cheques oth. bks.	4,916,809	2,233,736
Due from oth. bks. Can.	149,832	1,858
Do. U. K.	3,534	....
Do. elsewhere	565,216	494,307
Govt. sec. Can.	4,469,866	20,086
Municipals, etc.	3,816,991	6,782,665
Rail. secur., etc.	794,675	4,886,557
Call loans, Can.	6,565,512	404,291
Do., outside	500,000	....
Curr. loans, Can.	35,425,343	22,923,657
Loans, munic.	2,755,543	742,911
Non-curr. loans	159,069	3,889,505
Real estate	405,713	558,014
Mortgages	591,470	230,477
Premises	3,680,751	179,112
Letters credit	571,751	35,648
Dep. with min.	200,000	150,000
Dep. C. G. R.	2,900,000	2,650,000
Shares and loans to controlled Co'ys.	....	3,634,987
Other assets	117,465	533,173
Total assets	$73,902,927	$52,066,124

Concerning the Bond Issue

The statement of Premier L. A. Taschereau of Quebec regarding the merger and the government loan, was in part as follows:

"It was agreed to submit to the Legislature a bill providing for the issue of $15,000,000 bonds, bearing interest at the rate of 5 per cent. redeemable in 40 years.

"These bonds will be remitted to the Banque d'Hochelaga, which out of its revenues will reimburse to the province the interest which it may be called upon to pay, and will reduce the capital by yearly payments. The annual payment will be made after the payment of a dividend of ten per cent. to the shareholders of the merged bank. According to the terms of the projected agreement the province has nothing to disburse. One of the auditors of the bank, named by the shareholders, will have to be approved by the Lieutenant-Governor-in-Council.

"Such are the main lines of the operations, the details of which will be submitted to the Legislature.

"The merging of these principal banks will result in economy in operation and by the concentration of the resources will contribute more efficiently to the economic developments of our province."

President Vaillancourt of La Banque d'Hochelaga said that his directors:

"After a careful survey of the situation, have come to the conclusion that that proposal was advantageous, provided the liquid assets of La Banque Nationale be increased and that, for this end, the government of the province of Quebec issue and deliver to the amalgamated bank $15,000,000 of bonds maturing in forty years. The bank will bind itself to pay the interest thereon to the government out of its profits only; it will also bind itself to redeem the principal, by means of an annuity of $124,172.40, out of its profits also, but after the payment of a dividend of 10 per cent. Any additional dividend may be paid after this sinking fund is provided for. The stock will be exchanged on a basis of two shares of La Banque Nationale for one share of the Bank of Hochelaga.

"This proposal will be submitted in due time to the shareholders of the Bank of Hochelaga. The board of directors deem it advisable to recommend it, because the purchase of the assets of La Banque Nationale, at the conditions agreed to, will fully safeguard all the interests concerned."

Difficulties of Nationale

The difficulties of La Banque Nationale came with the failure of the La Machine Agricole, which had built a farming machinery plant around a shell plant at Montmagny, Quebec. The company went under and with about $7,000,000 of money that had been invested in the enterprise by bond holders, stock holders and by the Banque Nationale through advances on stock was lost. The Banque Nationale as a result went through an entire change of management and directorate and wrote down its reserve by several millions, reducing the dividend rate at the same time. Henri des Rivieres, formerly of the Bank of Montreal went to the bank as a general manager, and it was understood that the Bank of Montreal had lent some financial assistance as well.

The latest government bonds return, based on the 1923 bonds act, threw into sharp relief the real difficulties of the Nationale position. At the end of September overdue debts of 846,921 were shown. At the end of October these, under their new name of non-current loans were shown as $3,889,505, an increase of more than $3,000,000. Of course, the true amount of these "bad" loans was effectively concealed by the form of the earlier returns.

MELLON POLICY RAISES HOPES IN THE STATES

Business Looking for Better Things in the New Year

By ALVIN W. KRECH,
Chairman, The Equitable Trust Company, of New York.

There are excellent reasons to hope that 1924 will be a year of prosperity for American business. By prosperity, I mean not a frantic multiplying of wealth, which is the dream of the speculator or the gambler, but a measured though steady growth of our economic structure, which is the ideal played for by the sound business man. This country, and it is good at this time of the year to look backward in a pensive mood, has in the last few years gone through the whole scale of economic vicissitudes. It experienced the intoxicating elation of colossal turnovers and profits prior to 1920, but sobered by the almost inevitable depression that followed, it took gamely its losses. 1923 completing the uphill work of 1922 saw again this country hammering with calm purpose at its big task, and as a banker, I should saw with gratitude that the business community on the whole has shown during the last year an attitude of mind and purpose which, to-day, finds its reward in a very encouraging credit position. I may well say that the banks in 1924 will continue to extend to their clients the credits of which the latter have shown themselves to be so worthy during the past year, and I believe also that this country, which has known the supreme economic blessing of what amounted practically to full employment in 1923, will be able to keep up its industrial output.

I base my hopes for 1924, to a great extent, on Mr. Mellon's tax revision plan, and on the President's decision to let American experts cooperate in the inquiry on Germany's financial situation. Secretary Hughes more than a year ago sowed in New Haven the seeds which to-day promise to bring forth the inestimable fruit of a wiser understanding of the economic needs of Europe. There was a time when even the optimistically inclined could believe that the Secretary of State's New Haven proposal had been swept aside by the winds of discord, but happily it has been taken up again, and we witness at last, upon one very important point at least, a gratifying accord between France, England, Belgium, Italy, and the United States.

I firmly believe that America, who sat in the councils of war, must sit in the councils of peace. The European situation is a problem which by far transcends the selfish concern to the export possibilities of our surplus production, it is a problem which involves the integrity, the very existence of the human race, and I take it as a good omen for the material and the moral well being of this country that we have decided on the eve of the New Year, to let America's voice speak, what will be, I fervently hope, the counsel of moderation and brotherhood.

Bavaria proposes to dissolve Landtag and change constitution to create State President, who would be state regent holding government for future king. This is monarchial move against Socialists and not for Hohenzollern restoration.

Choose an Executor Who Never Grows Old

THAT friend of yours—the brilliant, capable business man—is at the high tide of his powers. Mental power has matured; physical power has not begun to wane. It is natural that you should consider naming him as your Executor.

But does it occur to you that the tide ebbs for a man just as surely as for the sea? Suppose you live for another twenty or thirty years—will he be the same executor then that you choose now?

The Canada Permanent Trust is exempt from old age. It retains the wise counsels of its older Directors. It is constantly recruited with the vigor of youth. Twenty-five years from now—as now—it will be equipped to handle your affairs with skill and prudence.

You cannot foretell the future of any man you know. Give your estate and your family the services of an Executor whose future you can foretell:—

THE CANADA PERMANENT TRUST CO.
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager Ontario Branch • A. E. HESSIN

OPTIMISM IN SECURITIES

NEW YORK.—"The year is closing with fairly optimistic movements in the security market, but most comments from professional forecasters are pessimistic," says the Brookmire Economic Service, Inc. "That pessimism is based on the belief that further business declines are ahead early in 1924. Apparently it has no better foundation than a sort of philosophy of despair about western civilization, but business conditions do not warrant the pessimism, and pessimism about securities is equally unwarranted.

"We have no great speculative boom to collapse; no overproduction; our imports and exports are balancing in a fairly normal way; our turnover of bank deposits is low and the banking situation is decidedly strong in New York and London.

"We believe industrial stocks will be considerably higher next spring, railroad stocks probably somewhat higher and the bond market will just about hold its own during the first part of the year."

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 31

	Div. Rate	High For week	Low For week	Close Dec. 31	Close Dec. 24	Sales For week	Range for 1923 High	Low
Banks—								
Commerce	1[illegible]	[illegible]¾	183¾	184¾	183¾	149	201	181
Dominion	12+[illegible]	[illegible]	181	182	185	32	203	181
Hamilton	1[illegible]	[illegible]¾	179¾	181¾	180	41	190	167
Imperial	12+1	1[illegible]	173¾	173¾	178	52	194	167¾
Molsons	12	[illegible]	155	155	155¾	5	177	154¾
Montreal	12+2	[illegible]	239	240	239¾	61	248¾	225¾
Nova Scotia	16	[illegible]	250¾	251	251¾	26	266¾	250¾
Royal	12+2	[illegible]	211	211	211	74	223	[illegible]
Standard	12	169	167	167	169	70	212¾	163
Toronto	12	176[illegible]	176	176	173	44	192	171¾
Union	8	105¾	105	105¾	105¾	56	141	104¾
Paper—								
Abitibi, com. (no par value)	4	64	61¾	63	61¾	928	74	[illegible]
Brompton Pulp (no par value)	....	41	39¾	40¾	39¾	2655	44	[illegible]
Laurentide	6	92¾	89¾	91	88¾	1026	103¾	[illegible]
Price Bros.	2	40¾	40	40	39	325	47	38¾
Smith, Howard, com.	6	68¾	68	68¾	69	150	83¾	61¾
Spanish River, com.	7	102¾	100¾	101	99	4300	105	82
Spanish River, pref.	7	108	106	108	106	1496	108	[illegible]
St. Maurice Paper	6+5	108¾	104	107¾	104	961	116¾	[illegible]
Steel and Steel Industries—								
B. E. Steel, com.	....	4	3¾	4	4	240	10	[illegible]
B. E. Steel, 1st. pref.	7	[illegible]	57	[illegible]	57	186	73	[illegible]
B. E. Steel 2nd. pref.	....	16	14¾	[illegible]	14¾	1455	26¾	[illegible]
Can. Car & Foundry, com.	....	37¾	35¾	36¾	35	1266	37¾	[illegible]
Can. Car & Foundry, pref.	3¾	87	83¾	83¾	85	1472	87	67¾
Can. Foundries, com.	....	22	22	22	22	153	35	[illegible]
Canadian Foundries, pref.	....	43	43	43	45	25	66¾	[illegible]
Dominion Iron, pref.	7	55¾	55	55	55	25	80¾	[illegible]
Dominion Bridge	4	66¾	65¾	65¾	67¾	85	78¾	[illegible]
Steel of Canada, com.	7	77¾	74	77	74¾	2696	79	[illegible]
Milling—								
Canada Bread, com.	....	65¾	65	65	64	12	66¾	[illegible]
Canada Bread, pref.	7	95	94¾	95	94	96	95	90
Lake of Woods, com.	12	166	166	166	166	17	[illegible]	[illegible]
Maple Leaf, pref.	7	87	85¾	87	[illegible]	[illegible]	102	[illegible]
Shredded Wheat, pref.	6	106	106	106	106	10	106	[illegible]
St. Law. Flour, com.	6	73	69	73	70	72	83	[illegible]
Utilities—								
Bell Telephone	8	126¾	124¾	124¾	126	401	128	112
Consumers Gas	10	160	159	159	159	94	163¾	[illegible]
Mackay, com.	7	111¾	110¾	111¾	110¾	332	124	[illegible]
Mackay, pref.	4	66¾	66¾	66¾	66¾	25	72¾	66
Montreal L.H. & Pr. Cons.	6	142¾	141	142	142¾	2992	143¾	[illegible]
Ottawa L.H. & Pr.	6	81	80¾	80¾	79¾	15	92¾	79¾
Quebec Power, com.	....	69	68	60	68	34	70	60
Shawinigan	7	119¾	118¾	118¾	122	251	123¾	112
Transportation—								
Canadian Pacific Rly.	10	150	149	150	149	161	162¾	[illegible]
Canada Steamships, com.	....	11¾	11¾	11¾	11	5	19	9¾
Canada Steamships, pref.	....	41¾	40	41¾	40	415	56¾	39
Tractions—								
Brazilian	4	43	40	42¾	40¾	4888	53	35¾
Detroit Un. Rly.	6	72	67	69	69	4292	79¾	[illegible]
Duluth-Superior	....	35¾	35¾	35¾	36¾	25	44	[illegible]
Illinois Traction, com.	50c	60	60	60	64	15	64¾	55
Toronto Railway	....	84	82	83	82	619	93	73¾
Twin City, com.	6	66	64	66	66	457	80	58
Winnipeg Elec. com.	....	30	27	30	26¾	192	42¾	26¾
Winnipeg Elec. pref.	7	81	80¾	80¾	81	95	87¾	80
Textiles—								
Can. Converters	7	81¾	81	81¾	81¾	60	103	79
Can. Cottons, com.	8	110	109¾	110	110¾	58	137	98
Dom. Textile, com.	4	63	62¾	63	63	173	72	61¾
Dom. Textile pref.	7	108¾	108	108	108	14	112	105¾
Montreal Cotton, com.	6	100	100	100	100	5	114¾	100
Penmans, com.	8	150	150	150	146	50	165¾	127¾
Penmans, pref.	6	96	96	96	95¾	15	[illegible]	[illegible]
General Industrials—								
Amer. Salesbook, com.	$1.00	43	43	43	42¾	10	44¾	[illegible]
Amer. Salesbook, pref.	7	91	90	91	90	22	93	[illegible]
Asbestos, com.	4	30	28¾	28¾	29	100	72½	[illegible]
Asbestos, pref.	6	61	60	60	60	102	91	57
Atlantic Sugar, com.	....	20¾	19¾	19¾	19	590	27¾	14¾
Atlantic Sugar, pref.	....	41	39	40	38¾	835	48	34¾
Burt, F. N. com.	10	132	130¾	132	129¾	11	140¾	123¾
Canada Cement, com.	6	86¾	85¾	86	86¾	204	88¾	77
Canada Cement, pref.	7	104	103¾	104	103¾	40	105¾	100
Can. Gen. Electric, com.	6	115¾	114	115	115	246	115¾	80
Dominion Stores, com.	50c	27¾	26¾	26¾	....	351	27¾	26¾
Dominion Stores, pref.	8	86¾	85¾	85¾	....	32	86¾	85¾
City Dairy, com.	10	163	162	163	162	179	175	135
City Dairy, pref.	7	104	104	104	103¾	19	106	96
Crows Nest Coal	6	47	47	47	44	15	50	44
Cuban Can. Sugar, com.	....	7¾	7¾	7¾	6¾	55	14	3
Cuban Can. Sugar, pref.	....	34¾	34¾	34¾	33¾	40	47	25
Dom. Canners, com.	....	21	20	20¾	24	165	39	20
Dom. Canners, pref.	7	82	82	82	80	10	90	74¾
Dominion Glass, com.	7	102¾	100¾	102¾	110¾	428	105¾	89
Eastern Theatres, com.	....	12¾	12¾	12¾	12	5	12¾	9
Ford Motor	10	420	420	420	405	10	480	400
Goodwins, pref.	7	68¾	68¾	68¾	69	100	70	60
Goodyear Tire, pref.	7	81¾	80	81¾	80	26	96	71
Holt, Renfrew, pref.	....	30	30	30	30	8	60	30
Lyall Construction	....	14	14	14	16	10	48	10
National Breweries, com.	$4.00	56¾	53¾	55¾	53¾	2570	56¾	46
Rogers, Wm. A., com.	....	43	43	43	46	2	76¾	43
Russell Motor, pref.	7	49	49	49	49	25	75	47¾
Sherwin Williams, com.	6	107	107	107	107	15	123	91
Trust and Loan—								
Canada Landed	10+1	84¾	84	84¾	83¾	50	87	73
Can. Permanent	12	183	183	183	183	8	194	183
Toronto Gen. Trusts	12	205	202	202	205	39	210	202

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain, Com.	100	104
Alta. Pac. Grain, Pref.	89	92
British Mtge. & Loan	200	....
Collingwood Ship. Com.	45	60
Can. Machinery, Pref.	30	37
Can. Machinery, Com.	5	8
Can. Mortgage & Inv.	63	....
Can. Oil, Com.	39	43
Can. Oil, 8 p.c. Pref.	91	95
Can. Westinghouse	136	....
Capital Life, 20 p.c., Pref.	23	....
Cockshutt Plow, 7 p.c., Pref.	42¾	44
Continental Life	25	....
Cosgraves Breweries	5	..
Commercial Finance, Pref.	60	....
Crown Life	98	....
Dom. Power, Pref.	96	97¾
Dom. Power, Com.	38	40
Dom. Sewer Pipe, Com.	25	28
Dom. Sugar	190	205
Dunlop Tire, 7 p.c., Pref.	80	83
Durant Motors	5	6
English Elec., Com.	9¾	....
English Elec., Pref.	48¾	51
Excelsior Life, 26 p.c., Pref.	32	....
Famous Players, 50 p.c., Com.	66	....
Farmers Dairy	53	....
Great West Life	220	....
Gunns, Ltd., 7 p.c., Pref.	30	....
Hamilton Pantages, Com.	3	....
Hamilton Pantages, Pref.	40	....
Imperial Tobacco, Com.	8	9
Int. Milling, Pref.		95
K. & S. Tire, Pref.	25	27
K. & S. Tire, Com.	75	....

	Bid	Asked
La Paz Oil	07	15
Lambton Golf Club	425	475
Loew's Buffalo, Pref.	50	53
Loew's Buffalo, Com.	1	1¾
Loew's Hamilton, Pref.	38	....
Loew's London, Pref.	5¾	6¾
Loew's London, Com.	3	....
Loew's Ottawa, Pref.	....	24
Loew's Toronto, Pref.	64	....
Loew's Toronto, Com.	31	15
Manitoba Power, Com.	18	21
Marconi Wireless	1.00	1.40
Massey-Harris	35	39
Manufacturers Life	55	58¾
Mercantile Trust	99¾	....
Mtge. Disc. & Fin.	8	10
Monarch Life, 10 p.c., Pref.	10	12¾
Neilson, Wm., Pref.	95	....
National Brick, Pref.	50	53
National Brick, Com.	12	15
North Mex. Power, Com.	....	9¾
Ont. Equitable Life	18	22
Robt. Simpson, 6 p.c., Pref.	87¾	89
Robertson, P. L.	15	25
Sterling Bank	87	89
Sun Life, 50 p.c., Pref.	172	....
Sun Life, 35 p.c., Pref.	125	....
Toronto Brick, Com.	28	....
Toronto Brick, Pref.	75	....
Toronto Carpet, Com.	95	....
Trusts and Guarantee	....	72
Western Assurance	7	7¾
Western Grocers, Pref.	90	91
Western Grocers, Com.	3	4
Willard's Chocolate, Pref.	....	80

CANADA AS FIELD FOR MANUFACTURE ATTRACTS MONEY

Growing Domestic Market and Export Advantages Important

OUTSIDE CAPITAL

Americans Have Put More Money Into Industry in Canada Than British People

From Our Own Correspondent.

MONTREAL.—The basis for the expansion of the manufacturing industry in Canada has been a combination of many factors. Canada is one of the important industrial nations of the world. Regarded by many outside observers as essentially an agricultural country, Canada is in reality a nation that built up an industrial fabric of world wide importance.

Canada's banking system, highly rated for soundness and elasticity, has given substantial encouragement to industry and has provided working capital in abundance. The country is well served with transportation—having in fact more miles of railway than will be required for some years to come—and this net work of steel arteries of communication has given every convenience for the assembling of the raw materials of industry and the distribution throughout domestic markets and to ports of shipment of finished goods. In water power Canada has seen a development that has been amazingly swift and efficient. Hydro-electric generation is one of the great basic industries of Canada. The hydraulic installation in the Dominion totals 338 h.p. per head of population, as against 100 h.p. for the United States. And as yet only about seven per cent. of the estimated total possible turbine installation has been utilized. Canada will likely have 5,000,000 h.p. of water power in use by 1935. The present installation represents an annual revenue from power of only about $83,000,000 a year, but the real value of the investment in water power stations is in the fact that each such development provides the motive force for a dozen or more industries. Canadian water powers are concentrated in the provinces that are without coal.

Manufacturing in Canada has had a broad impulse to grow from the development of raw materials. The expansion of agriculture, mining, forestry, and other branches of basic industry has not only enlarged the domestic markets for Canadian manufactured goods but has increased the number, amount and the classes of raw materials available for use in Canadian factories.

Such natural advantages have actuated Canadians in building up their own industrial existence and have always attracted men of initiative and capital in other countries.

An immense sum of new capital has been required to finance the rapid growth of Canadian manufacturing industries. The aggregate capital investment in industry grew from slightly less than $450,000,000 in 1900 to more than $3,400,000,000 in 1920, an increase of 600 per cent.

In order to recruit capital on such a scale and with such rapidity, Canada, in common with other young countries, has drawn heavily upon the investors of older nations for industrial purposes as well as for municipal improvements, railway construction and other enterprises. Huge funds have been attracted particularly from British and American sources. "Of the total capital received from abroad for all purposes British investors* have supplied the greatest volume," says Canada, Natural Resources and Commerce, published by the Natural Resources and Intelligence Service, "but United States interests have been foremost in the field of industrial development. Parent manufacturing concerns in the United States have been especially active in establishing branch plants and subsidiary companies in the Dominion in order to cultivate the Canadian market at closer range, to grow as Canadian industries with the expansion of the market and to enjoy the benefits of trade arrangements made for units of the British Empire or of other preferential trade agreements."

British investors are strongly interested in a limited number of specified industries, notably in smelting and shipbuilding, but in many others are represented only to a small extent. In the manufacturing field United States capital greatly exceeds British in volume, is more generally distributed, and in certain instances forms the controlling interest. But very few of the larger industries founded upon the development of Canadian resources and the finishing of Canadian products are chiefly in the hands of investors abroad. Despite the heavy investments of British and American capital, the securities of industrial companies are held mainly by Canadian investors.

On the future of industry in Canada this encouraging note is struck in the publication just quoted. "The broad groups of industries embrace a multiplicity of specialized branches of manufacture to which the requirements of national growth are constantly adding. The advance of settlement and agriculture creates an infinite variety of new needs—not merely of farming implements, but of all that enters into the building of new communities. The growth of forest industries brings the need for the complicated mechanisms of paper mills and for the equipment of power plants. Thus in furnishing the tools of basic development and furnishing a wide range of natural products Canada offers a field for manufacturing enterprise on a scale which even the rapid expansion of the recent years has by no means fully attained."

---

* Later figures indicate that this is wrong. There is more American than Canadian capital in Canada.

C.P.R. IS NOW AHEAD IN 1923 EARNINGS

Both Gross and Net Beat the Figures for Eleven Months of 1922

From Our Own Correspondent.

MONTREAL.—After being somewhat disappointing for the first months of the year, C. P. R. has come back with a healthy increase in gross and net earnings in the past two months. November 30 saw the company with a $3,400,000 increase in gross earnings for the eleven months' period, and a $700,000 increase in net.

Following are the gross and net earnings for the month of November, 1923, with comparison:

	1923	1922	Inc.
Gross	$22,244,319	$21,421,077	$823,241
Wk. exp.	16,133,849	15,695,285	438,563
Net pref.	$ 6,110,470	$5,725,792	$384,677

Following are the gross and net earnings for the eleven months ending November, with comparison:

	1923	1922	Inc.
	$	$	$
Gross	176,700,415	169,309,396	7,391,018
Wk. exp.	143,177,532	136,472,510	6,705,022
Net pref.	33,522,882	32,836,886	685,996

REFORESTATION IN N.B.

FREDERICTON.—Experimental forestry re-seeding operations in New Brunswick have been concluded for the present season. These operations, which were undertaken under a co-operative arrangement between the Federal Forestry Branch and the Provincial Department of Lands and Mines, and for which a grant of $5,000 was made, have resulted in the seeding of experimental plots on the Tabusintac and the Restigouche Rivers in areas affected by this year's forest fires.

DOMINION BRIDGE WORKING CAPITAL NOW MUCH LARGER

Profits for 1923 Showed Big Increase Over 1922 Prospects Good

From Our Own Correspondent.

MONTREAL.—Dominion Bridge's statement was much better for 1923 than for 1922, and the prospects are for good business throughout the coming year. This is particularly true of the important subsidiary, the Dominion Engineering Works, which manufactures water power as well as pulp and paper machinery. Dominion Engineering has sufficient business on its books to run it well into the third quarter of 1924. The payroll is larger than at any time before in the history of the company and about 1,000 men are employed. Prospects are such that the Dominion Engineering expects to do as much, if not more business in 1924 than in 1923.

Dominion Bridge's Year

Gross profits of Dominion Bridge for the year ended October 31 totalled $429,912, as against $188,670 in the 1922 period.

From the gross profits has been deducted depreciation of $139,229, about $4,000 more than last year, and dividends at the rate of 4 per cent. amounting to $260,000, leaving net earnings of $30,683, compared with $54,661 the previous year, when, however, the dividend was not deducted from earnings, this being provided out of surplus.

	1923	1922	1921
Profits	$429,912	$188,670	$623,737
Less:			
Directors	......	......	15,130
Doubt. accts.	......	......	95,607
Deprec.	139,228	134,008	134,305
Total deduc.	$139,228	$134,008	$245,043
Net earn	290,684	54,661	378,693
Dividends	260,000	260,000	520,000
Balance	$ 30,684	†$205,339	†$141,307
Reserves	200,000	......	480,000
Balance	†$169,316	†$205,339	†$621,307
Prev. bal.	3,399,419	2,671,838	4,293,144
P.&L. bal.	$3,230,103	$2,466,500	$3,671,838

† Debit.

Prior to this year the profit and loss and balance sheet figures referred only to the Dominion Bridge Company, while this year the entirely owned subsidiaries have been consolidated with those of the parent company. One effect of this consolidation has been that the amount at credit of profit and loss in the previous year at $3,466,500, is brought forward at $3,399,419.

President G. H. Duggan in his remarks to shareholders states that there was shown an improvement in volume in the year under review, as compared with the previous year, the output having been 56,257 tons, as compared with 45,457 tons.

Working Capital Is Up

A study of the balance sheet shows an improvement in working capital position, which stands at $4,093,587, as compared with $3,757,000 in the previous year, an improvement of $336,578.

The working capital position of the company for the past three years compares as follows:

	1923	1922	1921
Curr. assets	$4,934,205	$4,622,209	$4,862,146
Curr. liabs.	840,627	865,209	692,688
Work. cap.	$4,093,578	$3,757,000	$4,169,458

Massey-Harris Expects 1924 to be Par of 1923

The approximate value of Massey Harris sales for 1923 was about the same as the volume for 1922. Of the total sales, exports ran about 55 per cent.

The company's manufacturing program for 1924 will closely follow that of 1923, as they expect conditions in the implement industry to follow fairly closely along those of the year just closed, says Thos. Bradshaw, general manager. He added, "We are operating at about 60 per cent. of capacity and regret that we do not see much chance of improvement until fundamental conditions in Europe are improved. The chaotic conditions there do not only affect our export business but they bear down heavily upon domestic business."

Russo-German agrarian corporation formed with capital of $1,000,000 to facilitate exchange of Russian farm products for German industrial commodities and to safeguard commercial lead Germany now enjoys in Russia.

EXPECT BIG YEAR AT THE CANADIAN LOCOMOTIVE MILL

Company Was Kept Busy Through the Past Year

From Our Own Correspondent.

MONTREAL.—Canadian Locomotive Company has benefited from the increased buying of locomotives by Canadian railways during the present year. The plant has been running steadily all year, and about 500 men have been employed. This is a direct contrast from the inactivity that had extended over a period of a couple of years or more. Moreover, the company has every prospect of handling as much business in 1924 as in 1923, although the future beyond the forthcoming year is more indefinite and depends to a large extent upon the future policy of the railways in replacing much badly worn out traction equipment and in enlarging the numbers of their locomotives to handle increasing freight traffic that offers itself.

Shortly before the industrial depression came, Canadian Locomotive had handled some export orders, manufacturing locomotives for the railways in Jamaica, in Russia, and in Japan. But these orders were not extensive, and when the employees went on strike at a time when business conditions were not very promising, the plant was closed down, and, moreover, remained closed down, or at most ran on short scale operations until about a year ago. Only repair work was handled.

Plant Put In Shape

The company did, however, take advantage of the long enforced closing down to entirely overhaul its plant and machinery and to make additions that would reduce operating costs when business came, and the machinery would be started up again to run full blast. The cash position was excellent, and the capital expenditures that were made did not seriously affect the working capital position. Dividends were stopped at that period in order to put the company in a position to handle orders when they were available.

The company had its inception over seventy years ago when a machine shop was established in a small way, in Kingston, Ontario, by Tutton and Duncan in 1850. In 1854 the business was acquired by Morton and Hinds and the new owners "carried on" for eleven years and then sold out to the Canadian Engine and Machinery Company.

This latter company was re-organized in 1881 with Sir George Kirkpatrick as president and Hon. William Harty of Kingston as managing director. Business was carried on quite successfully till 1886, at which date the plant passed into the hands of Dubs & Co. of Glasgow.

It was in 1900 that the Canadian Locomotive Company was organized, with Hon. William Harty as president. The other officers were M. J. Haney, vice-president, C. Birmingham, managing director, and J. J. Harty, secretary.

Output Has Grown

At the time of reorganization the shop had an output of four locomotives a month. Soon after the equipment was improved and the output increased to five locomotives a month. The success with which the company was operating drew the attention capitalists, and in 1911 Aemilius Jarvis and some British financiers became associated with the company, with the result that the capitalization was increased from $500,000 to $3,500,000.

New plant and machinery was purchased for the manufacture of larger locomotives, and A. W. Wheatley of the American Locomotive Works was engaged as general manager.

The policy adopted by the new management was productive of wonderful results. The output of locomotives steadily increased, and during the war it reached fifteen a month, in addition to large munition orders for shells.

Ten years ago the Consolidated type of locomotive was the standard for freight service. Then the Mikado type of about thirty per cent. greater weight was adopted, to be followed by what is known as the Sante Fe type, a heavy grade engine of approximately fifteen per cent. greater weight than the Mikado.

New Locomotives Large

As far as the Canadian Locomotive Company is concerned the climax so far has been the new 6000 class, a passenger locomotive. The company has recently completed sixteen of these monster locomotives for the Canadian National Railways, and it might be stated that these are the largest locomotives ever built in Canada.

Any one of them is capable of hauling seventeen loaded Pullmans at seventy-five miles per hour, and on tests this speed was increased to ninety miles per hour, and then the throttle was not wide open.

The weight of engine and loaded tender is 288 tons, made up as follows: Engine, leading 57,300 lbs., driving 226,700 lbs., trailing 54,930 lbs., making a total of 339,000 lbs.

The tender when loaded weighs 238,000 lbs., its water capacity being 10,000 gallons and coal capacity 17 tons.

The maximum tractive power is 49,600 lbs., and the factor of adhesion is 4.57.

Pulp and Paper Securities

APPROVAL GIVEN PLAN FOR UNITED SALE OF SULPHITE

Leaders in Industry Back Suggestion of Export Corporation

From Our Own Correspondent.

MONTREAL.—The suggestion that has been advanced by THE FINANCIAL POST to the effect that an export sales corporation should be formed to handle the sales of sulphite pulp produced in this country has met with approval from all interests in the pulp and paper industry.

Those engaged in the manufacture of sulphite pulp, as well as others who are merely onlookers, have agreed that such a step will be the salvation of the sulphite pulp industry. One man, writing to THE POST apropos the previous articles on this subject, says: "There is no doubt that the industry would be greatly benefited by a foreign sales organization such as you suggest, and I believe the industry itself is beginning to appreciate that fact."

Another pulp and paper leader, connected with a company that was forced, through market conditions in sulphite pulp, to go through a process of reorganization, writes as follows: "Please accept my congratulations upon the effectiveness and timeliness of your articles. No person realizes more than I do the necessity for just such action as you suggest; viz., reorganization in the sales end of our pulp industry."

Correct Unsatisfactory Conditions

Another sulphite pulp manufacturer states: "I am strongly in favor of some united action being taken by the pulp manufacturers to stabilize the market, and it would be very good work indeed to bring this to a head, and see what can be done to get all the sulphite manufacturers together and try to work out some scheme to correct the present unsatisfactory conditions."

Briefly reviewed, the suggestion of THE POST was that the large sulphite producing mills of Canada should organize a company to handle the selling of their product in the United States and abroad. Controlling the balance of power in sulphite production, they could prevent the periods of demoralization in the sulphite pulp market that prevail every once in a while to the loss of all the companies. The result would be more stable marketing conditions, and hence the possibility of producing at a profit. That the mills are not producing at a profit now is indicated by the fact that four of the largest producers of sulphite pulp in Canada are now in liquidation. These mills are the Riordon, the Mattagami, the Bay Sulphite, and the Whalen companies. Others went through periods of financial stress. In fact, the four companies mentioned rank almost as the four most important sulphite producing companies in Canada and all in financial straits to-day.

Is An Important Industry

The manufacture of sulphite pulp is an industry of great importance to Canada. In the year 1922 there was no less than 146,690 tons of bleached sulphite pulp and 532,188 tons of unbleached sulphite pulp manufactured in Canada. Of this total no less than 66,072 tons of bleached sulphite and 205,484 tons of unbleached sulphite pulp was manufactured for export.

Canada's exports of sulphite pulp for the year ended March 31, 1923, amounted to $24,000,000. Bleached sulphite pulp exports had a value of $13,073,289, and unbleached sulphite exports had a value of $11,098,374.

Following are details of exports for the twelve months ending November 30, 1922 and 1923:

Pulp Sulphite—	1922. Value	1923. Value
bleached ..	$12,158,761	$13,506,350
unbleached	10,749,893	12,165,135

CHARGES BY BECKER HINT CONSPIRACY

Reference to Action of Bank and Methods of Interests Now in Control

Word comes from London that the Becker Wood Pulp Company, with large interests in Quebec, will wind up voluntarily.

Explaining the position of the company, Sir Frederick made allegations against a bank, whose attitude, he said, had brought about the need for voluntary liquidation.

Although the Becker Company had done a big business in the past, recently there had been severe competition and depression in trade. In one crisis, Sir Frederick said, he advanced £50,000 from his own estate. "This is a sad ending of 30 years of work, but yet I hope it won't be the ending. We have builded and created and sown the seed that others may reap. If we have lost our money, we have not lost our souls. Knaves and fools, I hardly know which, have wrecked the noble ship on the Canadian coast."

Legal actions were indicated by Sir Frederick, who expressed the hope that as soon as possible he would be able to put before the shareholders proposals for a new Becker company of 1924, which would be purely a trading company.

The explanation of the company's solicitor in replying to a question was as follows: "The man who has got control of the company's principal assets in Canada is the same man who is now pressing such claims against the company as are forcing them, for the general protection of their creditors as well as their shareholders, to ask the meeting to pass a resolution for voluntary liquidation in order that the company's interests may be taken care of."

Howard Smith Sales Larger Than in 1922

From Our Own Correspondent

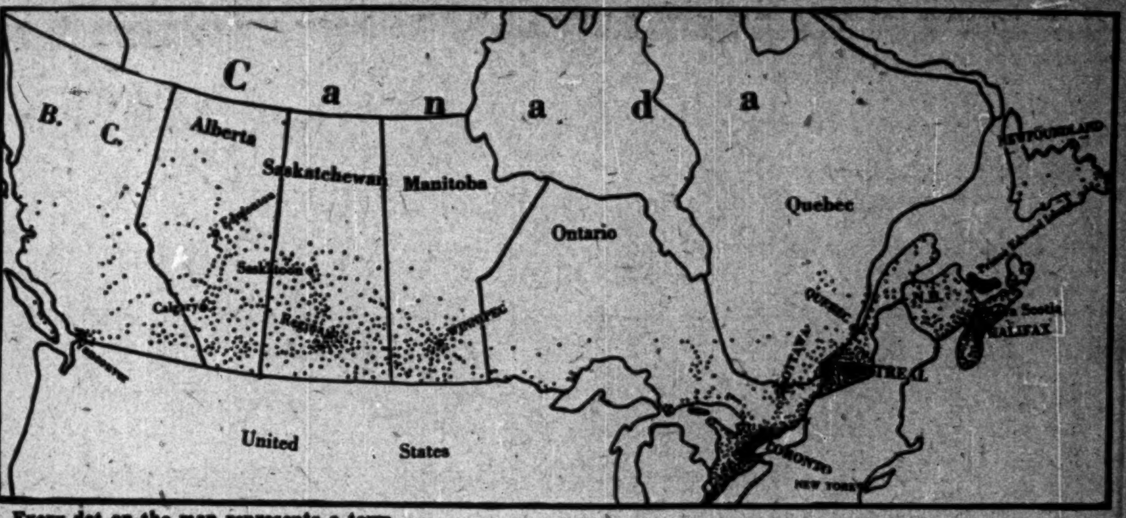
MONTREAL.—Howard Smith Paper Mills has enlarged its output this year despite somewhat difficult conditions in the book paper industry. The approximate value of 1923 sales will be about 10 per cent. above sales for 1922. The company's exports amount to about 10 per cent. of total sales.

Harold Crabtree, secretary of the company, states:

"As very little of our tonnage is sold on contract, the volume of unfilled orders at the end of this year is small, but sales are keeping up in a satisfactory manner.

"The number of employees at present is about the same as last year.

"When one considers the condition of the world to-day, it is a difficult matter to predict what conditions will be in our industry for the coming year, but there are certain signs that indicate that conditions in Europe are slowly but surely becoming more settled. This will no doubt be reflected in better business during 1924, depending on the progress made in that direction."



Every dot on the map represents a town or city where there are subscribers to THE FINANCIAL POST.

A Truly National Circulation

IN EVERY province of Canada, in every town and city from coast to coast, THE FINANCIAL POST reaches the class of men who are known as the leading citizens.

Week after week it is carefully read by manufacturers, bankers, merchants, insurance men and other men of means. It is as though some power had picked out the substantial men of the country, wherever domiciled, and said, "Let that be the circulation of THE POST." The sound and broad visioned editorial contents of THE FINANCIAL POST has chosen this circulation just as surely and carefully as could any imaginary power.

These are men of big purchasing power; men, too, of double purchasing power for they buy largely for their own needs and also for the factories, offices and institutions they represent.

Look at the map. Can you imagine any other way of reaching the important men you want to reach all over Canada? And reaching them to the number of the paid subscribers to THE POST?

Put your message in THE POST if you want national circulation and quality circulation and both in quantity.

Put It Up to Your Agency

Ask your advertising agent about The Financial Post. Ask him—or ask us—to show you The Post's Audit Bureau of Circulation's statement. Tell the agency to put The Financial Post on your next campaign. If you have no agency consult the nearest office listed below.

TORONTO
143 University Avenue

MONTREAL
Southam Building

WINNIPEG
Confederation Life Building

NEW YORK
1133 Broadway

LONDON, ENG.
88 Fleet Street

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

A Clear Distinction

exists between a savings account and a life insurance investment. Money invested in a life or endowment policy of The Great-West Life has a greater earning capacity and is free from the temptation to spend that is never absent from the savings account.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG

CLARKSON, GORDON & DILWORTH
CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
TORONTO MONTREAL
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

Public Confidence

in this institution has been a large factor in enabling it to attain to the position of Canada's premier Mortgage Corporation.

It offers to depositors every phase of Savings Account Service, based on the experience of nearly seventy years, combined with absolute security.

An account may be opened with One Dollar or more and full chequing privileges are allowed.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto. *Established 1855*
Paid-up Capital and Reserve Fund, $14,000,000.
Investments exceed $42,000,000.

5½% Interest Return

INVEST YOUR SAVINGS
in a 5½ DEBENTURE of The Great West Permanent Loan Company
SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Bureau of Canadian Information

Ask the Canadian Pacific about Canada
CANADIAN PACIFIC RAILWAY

THE CANADIAN PACIFIC RAILWAY through its Bureau of Canadian Information will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Chicago, New York, and Montreal are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

No charge or obligation attaches to this Service. Business organizations are invited to make use of it.

CANADIAN PACIFIC RAILWAY
Department of Colonization and Development.
165 E. Ontario St. Chicago. 335 Windsor Station Montreal. Madison Ave at 44th St. New York.

Stock Swindles a Success

In the last three years the oil crooks of Fort Worth, Texas, have robbed the country of well over one hundred million dollars.

In the las two years nearly two hundred brokerage houses have failed discreditably in New York City alone.

These New York failures have cost the American investor about one hundred and fifty million dollars.

Fake stock promotors invade every popular field of enterprise; oil, motion pictures, mining, automobile tires, real estate, radio.

Crooked stock manipulators and bucketeers work every psychological appeal and every confidence trick known.

The courts cannot cope with the pressure of cases. Over a hundred financial swindlers await trial in New York City. Over two thousand cases of fraudulent use of the mails in stock swindling ventures await trial in the Federal courts.

The loss to the investing public every year is estimated between one and two billions and that is much more than the whole country spends annually on education and nearly three times what it loses at the hands of burglars and recognized thieves.

No purse is too small to tempt the stock swindler. His prey is the poor man's savings. He exploits the small investor's ignorance.

Lower Prices and Interest Rates Will Benefit Investors

During the Past Two Decades Investors Have Had Large Part of Their Wealth Wiped Out by Economic Changes—Future Holds Promise of Complete Reversal of This Situation

From Our Own Correspondent.

MONTREAL.—The man who had a fixed income of $1,000 a year in 1900 from a certain security has an income now of only $490 a year. In 1920 it fell as low as $320. True, his cash income was the same, at $1,000, but the rise in the prices of all commodities had wiped out two-thirds of the purchasing power of his $1,000 by 1920, and the subsequent fall in prices has restored only enough of the decline to bring the real purchasing power of his income, measured by the yardstick of 1900 prices to about half of what it was at the beginning of the century.

The plight of those who have been living on a fixed income from investments, from a trust fund or from some similar source has often been discussed. They have suffered to a vastly greater extent than any other classes in the community by the well-known high cost of living; the rapid rise in prices in the first two decades of the present century. They have suffered even more than the salaried man, or the wage earner, whose incomes have been adjusted upward more slowly than prices, and whose incomes, by the way, have not followed the prices in their recent downward movement.

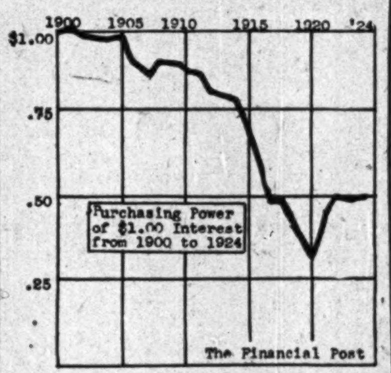
Insurance Values Lessened

Those who have had insurance policies maturing have also suffered. The man who bought insurance in 1900 and got his principal back in 1920 was cheated out of a large part of what he paid for by the disturbance in price levels. He paid for his insurance policy in cash and was repaid in cash, but the dollars he paid and the dollars he got back were entirely different dollars. Let us presume he was a cobbler. Therefore, when he bought his policy he paid for it in shoes, for we can overlook the fact that he first turned his shoes into money and then exchanged the money for insurance. To all intents and purposes he paid for his insurance policy in shoes.

The cobbler, then, bought a twenty-year endowment policy and paid it up with one premium. It might have been an annuity, for the result would have been the same. He gave 320 pairs of shoes for the policy and counted on getting 1,000 pairs of shoes back in 1920. But prices dropped to such a degree by 1920 that he only got his original 320 pairs of shoes back again and he had nothing for the loan of his money in the meantime. True it is he could sell the 320 pairs of shoes for much more than the original 320 pair were worth, but even if he did so, he could not buy any more of other merchandise with the money. The rise in prices had wiped out his possible profits.

How Purchasing Power Dropped

Putting it graphically, we can show just how the purchasing power of $1 of income dropped from 1900 to 1920 and how it has increased since then. The chart makes the loss to the holder of trustee securities, to the man of fixed income or to the beneficiary under an insurance policy, to stand out clearly.

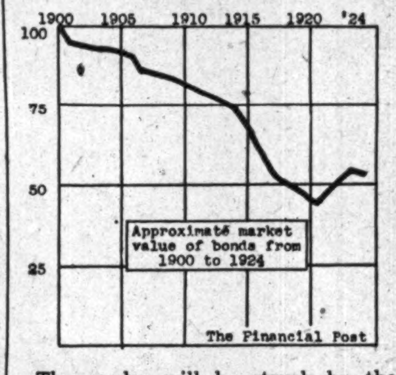


At the same time that the purchasing power of the income has dropped because of the rise in prices the market value of bonds and similar securities of fixed rates of return has dropped because of the rise in interest rates.

Bond Prices Are Also Down

A bond of the Dominion government paying 2¾ per cent. interest was worth par in 1900. A Dominion government bond paying 2¾ per cent. interest would have brought only about 47 in 1920, 45 in 1920, at the lowest level of bond prices, and about 53 at the opening of 1924. This, of course, does not take into consideration the question of maturity of issues, which need not enter into these calculations at all.

How the approximate market value of bonds has fluctuated since 1900 is shown in the following chart:



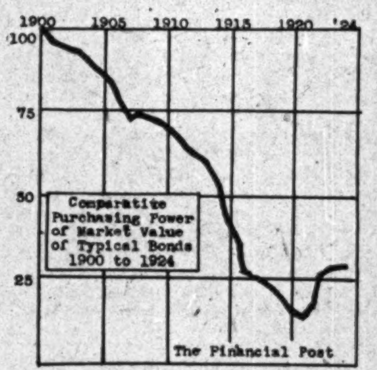
The reader will be struck by the fact that the purchasing power of the dollar and the market value of bonds have followed almost an exactly similar trend. There is, of course, a connection, but that is another story.

So the poor investor has been hit in two ways: first, by the rise in prices, which greatly reduced the purchasing power of his interest, and by the decline in the market value of securities that wiped out a large part of the value of his holdings. As a matter of fact, the average investor has not felt the cumulative effect of both of these influences. This is because the average investor does not spend the principal amount of his investments but only the income. If he is in this position, he has felt the loss of purchasing power of his fixed income and felt it keenly, but because his bond was not sold and the book value realized, he never actually felt the loss of market value. If he were in the position of being the beneficiary of an estate that was left in 1900 to be untouched until 1920 and then turned over to him, he would have suffered twice, for not only would the market value of the bonds left him have declined, but their purchasing value would also have declined, assuming he spent the money when he got it in 1920.

"Consols" and "Rentes"

An actual example of individuals who were doubly hit by the decline in prices, and the decline in bond values, were holders of such fixed investments as British consols and French rentes, for the purchasing power of the market value of their investment in 1920 was only $14 for each $100 of value it had in 1900. Six-sevenths of their principal had been wiped out.

The following chart shows the nature and extent of this decline; it shows the working of the accumulation of both influences that have been discussed.



What of the Future?

It is when we turn to conditions today and attempt to wonder what is to be learned from this unfortunate tendency of the past two decades or so that we find a more cheering story to tell. The charts have all indicated that the past four years have shown a decided improvement in the conditions that formerly prevailed. Not only has the level of prices gone down and the purchasing power of the interest dollars correspondingly increased, but the market values of bonds and other investments of a fixed rate of return has increased measurably. Economists forecast a slowly rising movement in prices over the next few decades. They also prophecy slowly declining interest rates which would necessarily be followed by rising prices for bonds. In other words, a complete "volte face" from the conditions that have faced investors over the past term of years. And with a reversal of tendencies there would naturally be a reversal of results.

And so where investors' economic changes since the beginning of the century (and as a matter of fact since well before the beginning of the century) have all tended to hit the investor in trustee securities a very hard blow, it is likely, if the economists be right in their prophecies, that the economic changes of the next few years will be of material benefit to investors in increasing their wealth and their spending power. And, of course, this applies not only to investors in bonds, but to investors in mortgages, in insurance policies, and even in stocks, if we take an average of all stocks and disregard the speculative influences acting on individual stocks to a greater extent than on the other classes of investment mentioned.

Rising prices and dropping bond prices were hard on the investor. Dropping prices and rising bond prices will help investors greatly. The cobbler who handed in 320 pairs of shoes in 1900 hoping to get 1,000 pairs in 1920 got only 320 pairs of shoes back. Who knows but that the cobbler's son, handing in 320 pairs of shoes in 1920 in the hope of getting 1,000 pairs back when his insurance policy or his annuity matures in 1940, will get 2,000 pairs or even 3,000 pairs at that time.

Canada's Production of Coal 21% Higher

Canada seems assured of ample coal for the balance of the winter. Imports and output for 10 months ending Oct. 31 are well above the three-year average, says the Dominion Bureau of Statistics. Besides, consumption has not been as severe as other years. The cumulative output of coal from Canadian mines for the ten months was 14,127,000 tons an increase of 21 per cent. over the preceding three-year average for the same period. The output during October was 1,500,000 tons, an increase of 21 per cent. over that of September.

Total importation from the United States and Great Britain for the ten months was 19,450,000 tons, an increase of 43 per cent. over the preceding three-year average for the same period. The total anthracite imported during the ten months was 4,315,800 tons, an increase of 34 per cent. over the three-year average for this period.

What the Royal Bank of Canada Says of Credit Insurance—

In discussing insurance in one of its monthly bulletins, the Royal Bank says:

"Another type of insurance which seems destined to play a very important role towards the stabilization of business is credit insurance, which, incidentally, is somewhat new in Canada. By means of credit insurance, a business man has a guarantee that his losses, arising out of the insolvencies of his debtors during any given year, cannot exceed the normal expectancy of such losses for his particular line of business. . . . . . . The ability to insure against credit loss cannot but have a strong influence towards making business more even and stable."

Manufacturers and Wholesalers, write for full particulars of American Credit Insurance and a list of our Canadian policyholders.

CANADIAN DIVISION
The AMERICAN CREDIT-INDEMNITY COMPANY
of New York —— J. F. McFadden, President
The Pioneers of Credit Insurance

R. J. Mullen, General Manager for Canada,
Excelsior Life Bldg.,
Phone—Main 4181,
Toronto

0763

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

The New Twenty-year Capital Return Policy

(Issued by The Canada Life)

A Young Man and His Future

He takes his first step in business affairs, is examined by the doctor and creates an estate of $5,000.

He improves the shining hour and impresses upon an important person that he is in possession of an "estate."

His tendency to save and invest is noted by his employers.

He finds his savings of great assistance in buying a home.—

And as time goes on he is enabled to enjoy many of the good things of life.

Absolutely guarantees the return at the end of twenty years of all annual deposits, with accumulated profits, after giving you insurance protection for twenty years.

Easily Understood:

1st. Deposits are made yearly. This is what you are SAVING, and at the end of 20 years the Canada Life GUARANTEES the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit—for $5,000 or whatever amount you decide.

3rd. Profits are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These profits may be used to reduce the amount of your yearly deposits or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Profits represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty years you can draw out all you have paid in along with profits—

— or —

you can draw a Special Cash Guarantee, together with the Accumulated Profits, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live.

There are many other attractive features and privileges contained in the Policy, which may be of particular value to you.

Do Not Pass This By

Canada Life
Home Office
TORONTO
Canada

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, you may send me particulars of your new Twenty-Year Capital Return Policy.
Name ....
Address ....
Born .... day of .... 19..

12 c

GOLD and SILVER STOCKS
BOUGHT SOLD QUOTED
LORSCH & CO.
Established 1896
MEMBERS
Standard Stock and Mining Exchange.
Phone Main. 7417-8, 56-58 King St. W.
TORONTO, CANADA.

W. M. Forrest Draper Dobie
FORREST, DOBIE & CO.
STOCK BROKERS
Specialists in Mining
Phone: Adelaide 0411.
297 BAY STREET. TORONTO

TANNER GATES & CO.
Members Standard
Stock and Mining Exchange.
For Information re Baldwin Gold Mining Co. Write us.
300-1 Dominion Bank Bldg. TORONTO

KIELY & SMITH
Mining Brokers Bond Dealers
C. P. R. BUILDING, TORONTO.
Members Standard Stock and Mining Exchange. One of the oldest and most reliable Mining Houses.
Established 1908.

Bruneau, Labelle & Co.
55 St. Francois Xavier St.
Main 3989 MONTREAL
Mining & Investment Securities
Correspondence Invited

Gibson's Fortnightly Mining Review
in its current issue, gives information concerning many of Northern Ontario's mining companies, including
Castle
McIntyre
Hollinger
Cons. W. D. Lake
Crown Reserve
Mining Corp.
This little publication will be mailed regularly without charge. Write for your copy to-day.
Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
TORONTO.

How to buy Mining Stocks
The only way to enter the mining market is with the possession of the facts and real knowledge of the exact situation at the mines. You can only gauge bargains by knowing the potentialities of the properties.
Our Weekly Market Letter serves as an excellent index to intrinsic stock values by reason of our experienced analysis of market conditions and the investigation of the probable effect of new developments on security prices.
This letter is issued weekly to our friends and clients. You may have a copy for the asking.
F. G. OKE & CO.
Members Standard Stock Exchange
34 King St. East Toronto
Telephone: Main 4440-1

WANT CANADIAN HELIUM

Would Greatly Aid Development of Lighter-than-Air Flying in Britain

NEW YORK.—Small deposits of helium recently discovered in Canada may be an aid to British lighter-than-air flying, according to the Duke of Sutherland, Under Secretary for Aviation for Great Britain, who just arrived here. The Duke, expressed the hope that further deposits of helium would be found in parts of the Empire, since development of lighter-than-air flying in Britain was hampered by the necessity for helium.

OPTIONED LARDER GROUP

A group of six claims on Dane-Larder Road near the Halfway House, known as Campbell Larder syndicate, has been taken over by Mr. Christopherson.

MINING NEWS FOR THE INVESTOR

VOLUME OF MINERAL PRODUCED IN 1923 REACHED NEW TOTAL

Value Slightly Under 1920, Due to Decline in Commodity Prices

The past year stands second in Canada's history in the matter of mineral production. The total wealth produced was $214,102,000. The previous high was 1920, $227,859,665. Comparative figures for 10 years follow:—

1913	$145,634,812
1914	128,863,075
1915	137,109,171
1916	177,201,534
1917	189,646,821
1918	211,301,897
1919	176,686,390
1920	227,859,665
1921	171,923,342
1922	184,297,242
1923	214,102,000

In volume of production 1923 undoubtedly overshadows all. Decline in prices as compared with 1920 is responsible for the drop in values. The estimate is prepared by S. J. Cook, chief of Mining Bureau of Statistics, Ottawa branch.

New output records were established for coal, lead, zinc, asbestos and the total value of cobalt. Copper production was more than double the tonnage produced in 1922 and nickel increased practically three and one-half times. Gold and silver were slightly lower than in 1922. A group of non-metallic minerals including about twenty commodities increased two million dollars to a total of $19,000,000. Structural materials and clay products including portland cement showed little change in the aggregate value, the total for the year being estimated at 38.9 million dollars.

Employment in metal mining industries increased approximately 27 per cent. to a maximum at the close of the year and all mining industries, considered as a group, showed a gain of 6 per cent. during the year.

Indexes of prices indicate that nonferrous metals sold during the year at approximately the same average prices as prevailed in 1913. Nonmetallic minerals showed an advance of approximately 85 per cent. while iron and steel prices averaged between 55 and 60 per cent above the 1913 average. The following table shows the estimated production of each of the principal minerals:

		1922		1923 (Estimated)	
		Quantity	Value $	Quantity	Value $
Metallics—					
Arsenic (As_2O_3)	lb.	5,152,000	321,037	6,784,000	820,000
Cobalt	lb.	569,960	1,852,370	858,660	2,507,000
Copper	lb.	42,879,818	5,738,177	86,312,000	12,515,000
Gold	Fine Oz.	1,263,364	26,116,050	1,179,500	24,382,000
Iron	Tons	......	183,918	......	259,000
Lead	lb.	93,307,171	5,817,702	112,600,000	7,882.000
Metals of the platinum group		1,585	124,203	......	96,000
Nickel	lb.	17,597,123	6,158,993	61,444,000	18,433,000
Silver	Fine Oz.	18,581.439	12,576.758	18,864,000	10,944,000
Zinc	lb.	56,290,000	3,217,536	60,000,000	3,960.000
Chromite and Manganese		......	13,547	......	67,000
Non-Metallics—					
Asbestos	Tons	163.706	5,552,723	205.000	7,400,000
Coal	Tons	15,157,431	65,518,497	17,132,536	74,269,000
Gypsum	Tons	559,265	2,160,898	550.500	2,260.000
Natural Gas	M. Cu. Ft.	14,682,651	5,846,501	15,050,000	6,220,000
Petroleum, Crude	Bbl.	179,068	611,176	176.000	583,000
Salt	Tons	181,794	1,628,323	185,000	1,567.000
Other non-metallics		......	1,324,092	......	1,036.000
Portland Cement	Bbl.	6,943,372	15,438.481	7,652,000	14,291,000
Structural materials		......	24,096,260	......	24,611,000
Total		......	184.297,242	......	214,102,000

Gold and Silver Export From Dominion Higher

Canada's gold exports for eleven months of 1923 show a heavy increase over the same period for 1922. This is explained by the fact that the Dominion government is more liberal with its licenses to export this year than it was last. The result is that a great deal of the gold produced from the mines of Northern Ontario is going to Denver, Philadelphia and other leading centres.

Silver exports also show a material increase, about $450,000. Figures on the destination of the silver bullion for the eleven months period have not been compiled by the Dominion Bureau of Statistics as yet, but November figures show that U. S. got $286.495; U.K. $237,808 and China $127,980.

The comparative figures on the exports for eleven months follow:—

	Ounces	Value
Gold		
1922	......	$ 3,843,981
1923	......	11,081,353
Silver ore, etc.		
1922	5,992.332	3,965,329
1923	5,729,945	3,669,333
Silver Bullion		
1922	10,498,994	7,152,512
1923	12,099,904	7,897,927

LEAVE DUTY ON ARSENIC

Canadian Product Cannot Enter the U.S. Free of Tariff

Canadian arsenic is in heavy demand in the Southern States. It is used to fight the boll weevil which has been attacking the cotton crop. Southern members of the U.S. House of Representatives want the 25 per cent. duty removed. Their request is declined. The fear is that it would be creating a dangerous precedent to open the tariff law. Canada's sales of arsenic are growing steadily. The figures:

	Cwt.	Value
1921	8.118	$ 61.882
1922	13.504	97.793
1923	16,139	179,860

GOOD WIDTH AND GOOD VALUES ON LEBEL ORO

Lebel Oro, Kirkland Lake, is meeting with good success in drifting east on the vein on the 200-ft. level. For over 60 ft. the vein shows a width of 8 feet of $16 ore with the face still in ore. The farther east they go the better the ore body is said to shape up.

Stocks of Merit Being Bought Among Mines

The strength in the mining market, which made its appearance immediately after Christmas has continued. Prices in many cases have moved up slightly while the volume of trading has been fairly large when it is considered that the holiday season has been on. The interest in the market seems of a substantial nature also, for practically all the buying is in stocks of merit. The penny stocks are for the time neglected.

Castle has continued to be a feature and is now selling around 62 with a heavy consistent buying. Crown Reserve retains its popularity with the public, selling up to 75. This issue is favored in Montreal where a great deal of the buying and incidentally the selling is said to come from. Hollinger is again attracting attention and has passed the $12 mark, this time by a good margin. A movement upward in this stock was to be expected with any public interest in the market. Dome stands steady around $20 despite the fact that it is ex-dividend. Vipond has shown consistent strength. There has been quite a market for Teck Hughes with slight breaks on profit taking. It is a matter of wonder to many how the stock maintains its position. Tough-Oakes Burnside has been in steady demand with the price showing an upward tendency. There has been little profit taking on this issue.

Mining Corporation has been a strong feature. It is expected that within the next ten days development on the 5 and 6 levels of the South Lorraine property will cut the Woods vein. The Watson has been cut on the 5th and also on a sub-level.

Consolidated West Dome has moved up during the week. There are some bearish reports going around about this company. Recently THE POST discussed the outlook for the company with the secretary. He said it was well financed and that development was satisfactory. There is a suspicion, however, that some of the stock that is being underwritten is getting into the hands of some brokers and that this is responsible for the market manipulation. It is also said that some insiders have been doing some forced selling. It is unfortunate that such conditions should arise, especially when the men in charge of the property are putting up a real legitimate mining effort.

ORE SHOOTS SHORT

Montreal Ontario, in Kirkland Lake, is working on the 450-level. Good results are expected. The shaft is down to 550-ft. On the upper level the ore shoots were short, but are expected to lengthen at depth.

TAKE OVER EVERETT IN GOWGANDA

Everett Mines, Ltd., has taken over Everett properties in Gowganda adjoining the Castle. The capital is $8.000,000 with $1,900,000 issued. Considerable work has been done on the property, considerable high grade having already been mined.

REAL WORK NEEDED

A proper realization of what is wrong with mining in their section seems to have come to Soo. Ont., people. Briefly, it has been lack of proper work on prospects. Surface work has been ignored. Shafts were sunk that got nowhere but have since proved a black eye to the country. When engineers saw so many idle holes in the ground they concluded that if all these properties failed the country was no good. In reality the shafts proved only the lack of capacity for proper mining of those who sank them. The integrity of the country for prospective mining stands. One can count the real payrolls that have ever been spent in the district on one hand. More picks and men who will wield them are the need of the day.

The Soo Star makes some good points in handing out some tips for those who are interested in the section. They emphasize the need of work:—

> A lot of money has been spent foolishly in Michipicoten. The evidence of this is a detriment to the district. Engineers see these old shafts and are prejudiced. They say "If there is gold here, why didn't those fellows get it?"
>
> Too much promoting and not enough mining.
>
> Work, that's the only way out for the prospector. He's got to strip and trench.
>
> The one vital thing—more work on a claim before a buyer is asked to examine it.
>
> More surface work — stripping and trenching.
>
> If you want to get your claim on the market help your neighbor get his sold to good people.
>
> Just one remedy, work by the prospector showing up his claim.

NEW MANAGER FOR T.-O. B. PROPERTY

Good Progress Being Made in Development on Ninth Level

B. W. W. McDougall, E.M., will succeed W. R. Thomas who is retiring as manager of the Tough-Oakes Burnside gold mines at Kirkland Lake. The new manager is a graduate of Queen's University and has had a broad experience in Northern Ontario, Colorado and British Columbia. His experience in Northern Ontario dates back to the early days of Cobalt.

Development on the 9th level of the property is proving quite up to expectations. The drift to the West is showing free gold, and is equal to that opened up on the eight level. To the east the development on the 9th is a little better than on the upper level. A very important development has taken place on the northeast section where some diamond drilling has been done. Free gold is showing in the core. This is on the old Tough Oakes property.

BIDGOOD'S CHANCES GREATLY IMPROVED

Lebel Oro Development Interesting—Good Programme of Work Mapped Out

Bidgood is getting in good shape to resume development. The plant is being overhauled, and an effort is being made to secure electric power. Development plans when started will include 1,000 feet of cross-cutting, and 3,000 feet of drifting.

The outlook for this property is bright. Recent developments, on the Lebel Oro have greatly improved its chances. To-date, about $300,000 has been spent on it, the shaft being down 600 feet. with 500 feet of crosscutting, and 3,500 ft. of drifting. Commercial ore was found on the third and fourth level, but funds gave out before sufficient work to reach the possible ore bodies on the sixth was completed. The strike of the rich vein opened on the Lebel Oro is through Mud Lake to Bidgood.

The company has 350 acres in a block and has a mining plant sufficient to work to 1,000 feet. It has no liabilities and cash in the treasury. Favorable underwriting arrangements have been made.

The new stock, recently listed, has sagged a little during the holiday period, selling around 12 cents.

LIGHTNING LOOKS WELL

Strong Six Foot Vein of New Find Attracting Attention

Much interest centres around the most recent discovery in Harker Tp., Lightning River. Howie Brothers, Dan Williams and W. M. Cochenow, prospectors, got a group of 17 claims together, which have a well-defined vein six feet wide running through them. It has been traced for half a mile, stripped for 300 feet, and not one assay blank was taken. The formation is quartz porphyry, feldspar porphyry, carbonate and basalts. It is sulphite, and in every pit sank free gold was found. McIntyre and Dome asked an option. The owners required some cash, however, and optioned the claims to Jack Hammel. The Porcupine engineers are said to have expressed highly optimistic opinions of the find.

A great activity is expected in the camp in spring.

SILVER AND OTHER METALS

Dec.	29	31	J 2
Silver—			
London, pence	33⅝	33 9/16	33 1/16
New York	64¾	64⅝	64⅝
Copper	13	13	13
Zinc	6 27	6.27	6.27
Lead	7.40	7.80	7.75

Mining Stock Quotations

Week Ending Dec. 31.

	High	Low	Close Dec. 31	Close Dec. 24
Apex	2¾	1½	2¾	2
Algonquin	2	1½	1½	1½
Argonaut	56	53½	55	54
Baldwin	6	4¾	6	5
Beatty	5⅛	5¾	5⅛	5¼
Beaver	25	20½	22½	20
Bidgood	18¾	12½	12½	14
Atlas	4¼	4	4¼	4
Buckingham	4	3¾	4	3¾
Castle Tre.	60	50	57¾	60
Beatty rts.	3⅝	3⅛	3¼	3½
Coniagas	2.20	2.05	2.20	2.40
Cons. Smelters	31½	29	30¾	29
Cons. W. D.	31½	27	31¼	27½
Clifton	5	4½	5	4¾
Crown Reserve	75	70	75	70½
Dome Mines	20.15	19.75	19.75	20.00
Gold Reef	1¾	1¾	1¾	1½
Goldale	50	48	48½	48½
Hattie	9⅝	.8	8¼	9
Indian	65½	56	65	64
Hollinger	12.00	11.45	11.90	11.50
Hunton	6½	5½	5½	6½
Inspiration	9¼	9¼	9¼	9
Keora	7¼	6¾	7¼	6¾
Keeley	1.79	1.70	1.74	1.70
Lebel Oro	30	30	30	30
Kirk. Lake	18	15½	17	18¾
La Rose	20	19	20	20
Lake Shore	3.50	3.40	3.45	3.35
Lorrain	16⅛	13¾	15	13¾
Montreal, Ont.	15	15	15	15
Lorrain T.	1.09	1.05	1.05	1.05
McIntyre	18.40	18.10	18.20	18.15
McKinley	13	12	13	12¼
Mining Corp.	3.08	3.00	3.07	3.00
Moneta	23	22½	23	22
Newray	43¼	41	41¼	41
Nipissing	6.75	6.40	6.50	6.60
Ophir	1¾	1¾	1¾	1½
Pete. Lake	10¼	10	10¼	9¾
Porc. Crown	7½	7¼	7½	8
Preston	12	11¾	11⅞	11⅞
Teck Hughes	1.27	1.18	1.27	1.18
Timiskaming	33	33	33	32½
Thomp. Krist	4¾	4⅝	4⅝	4
Trethewey	9¾	8½	9	8
Tough-Oakes	69	67¼	68½	69
Vickers	27	23	23	27
Vipond Cons.	95½	91½	95	92
Wakenda	4¼	3	4¼	3
Wasapika	4½	3¾	4½	3
West Tree	6¼	5½	6¼	5¼
Wettlaufer	12¼	11	12¼	8
Wright Har.	2.95	2.80	2.82	2.75
New York Prices				
Inter. Nickel, com.	14¼	13¼	13¾	14¼
Do., pref.	79	78¾	79	79

Arthur E. Moysey & Co.
242 Bay St., Toronto LIMITED Telephone: Elgin 5171
MINING BROKERS SINCE 1904
OUR connection with the gold and silver camps of Ontario, extending over the life of every mine and prospect, past and present, gives a peculiar value to our service.
OUR weekly review of the mining situation has come to be considered the standard publication of its class. It will be sent you upon request.
We maintain the only private wire system covering the gold, silver and nickel camps of Northern Ontario

"Timely Talks on Mining"
By
Irving J. Isbell
TALK NUMBER NINETEEN

Every year at this time it is the customary thing to make a forecast for the new year. I don't know just why people should be more prone at this time than any other to endeavor to lift up the curtain and take a sly peek in behind the scenes. However, it is done—it is the conventional thing. So I might as well be fashionable, too, and tell my readers what I see ahead in precious metal mining and mining stocks.

First, we must look backwards in order to be able to appreciate in what measure 1924 should surpass 1923 so far as the mines are concerned.

At this time last year, continuing on till July, the whole Porcupine area was operating under the handicap of insufficient power to meet even normal demands, let alone the additional current needed to expand operations above and below ground which had been planned. An unusually dry fall left the storage basins of the power company below normal and the necessary pressure was not there to be converted into electrical energy. This condition was rectified about midsummer, but its effect in the first half of the year was such as to seriously retard production. At the Hollinger alone the power shortage caused a loss of about a million and a half in production.

Not only was production affected, but development at the smaller properties was held up altogether until steam power plants were installed and only displaced again in favor of electrical equipment towards the latter part of the year. But steam power is expensive and slow as compared to electricity, so that I am safe in saying that had the power company been able to supply the needs of the camp at the outset of last year, all previous production and development records would have been broken.

I am stressing the slowing-up effects of the power shortage last year for the purpose of presenting the contrast to the highly favorable conditions prevailing for this year as compared to last, and from this drawing conclusions as to what may be expected from the mines in the months ahead.

I look for the biggest gold production from Porcupine and Kirkland Lake in the history of the north during the present year. This year's output should climb up close to $30,000,000 as against about $20,000,000 for last year. Profits available for dividends will advance accordingly, and it is the profits in which every shareholder is vitally interested. With larger profits, should come larger dividends and higher market prices, and with an advancing market for mine stocks there should come a public following such as the mine market has not seen ever before.

The popularity of mine stocks during 1924 will exceed that of all other classes of speculative securities, I believe. In short, I anticipate a boom in precious metal mining stock this year.

What will a "bull" market in mining stocks mean to you?

Will a general rising market bring you profits or remorse?

It all depends on yourself. Nothing venture, nothing win. Your share in the profits which I feel certain are in store this year for discriminating mining stock buyers will be in proportion to your commitments. Shrewd traders have been accumulating the better mine stocks for weeks past.

A word to the wise should be sufficient.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Twenty" will appear in the issue of January 11th. We suggest that you have your name placed on our mailing list to receive a copy of "Timely Talks on Mining" each week without any charge or obligation of any kind.
Simply write your name and address on this coupon and mail to us.

COUPON

SIMONS, AGNEW & CO.,
McKinnon Bldg., Toronto, Ont.
SIMONS, AGNEW & CO., LTD.,
189 St. James St., Montreal

Please place my name on your mailing list to receive a copy of "Timely Talks on Mining" each week free of charge.

Name ....
Address ....

A PRUDENT
EXECUTOR
OF WILLS

Make your will to-day and provide adequately for the future protection of your family by naming a Trust Company your Executor and Trustee.

UNION TRUST COMPANY
Limited

Richmond and Victoria Streets
Winnipeg, Man. TORONTO London, Eng.

Government, Municipal, Corporation Bonds
Bought and Sold

Maritime Province Issues are of particular interest to us.

Correspondence invited.

"We cover the Maritimes."
EASTERN SECURITIES
Company Limited
St. John, N.B. Halifax, N.S.
Charlottetown, P.E.I.

Regent West Adelaide Near Yonge
WEEK OF JAN. 7
Cameron Matthews English Players
in OLIVER GOLDSMITH'S
"She Stoops to Conquer"
The Famous Comedy of the 18th Century.
MATS. THURS. & SAT.
Performances at 2.30 & 8.30.
JAN. 12—"MAN AND SUPERMAN"

NEWS OF THE BANKS AND BANKING

NEW BANK RETURNS BRING OUT FIGURES

No Longer Possible to Include Overdue Accounts as Current Loans

MONTREAL.—One of the changes in the bank act made at the last session of Parliament was to provide for a stricter accounting in the government returns of the overdue debts of the banks. Loans that were in arrears of interest for a year or more could no longer be shown as current loans, but must be shown separately as non-current loans. The change was served to bring more definitely into the light the overdue debts of the various banks. At October 31, 1922, overdue debts of less than $9,000,000 were shown by all the banks. At October 31, 1923 the new item of non-current loans amounted to nearly $16,000,000. It is hardly likely that the non-current loaning accounts of the banks increased so much during the year. Probably there was actual improvement. But the new return of the banks shows up the past due debts where the old return did not. La Banque Nationale, for instance, showed overdue debts of less than $1,200,000 in 1922. In 1923 the non-current loans were shown as nearly $3,900,000, an increase of $2,700,000.

Comparison of the overdue debt figures as of October 31, 1922, and non-current loans as of October 31, 1923, gives the following results:

	Overd. debts Oct. 31, 1922	Non-curr. Loans Oct. 31, 1923
Montreal	$1,038,710	$ 2,380,628
Nova Scotia	218,687	866,390
Toronto	343,425	220,039
Molsons	446,212	450,678
Nationale	1,186,528	3,889,505
Provinciale	421,890	169,365
Union	306,277	800,428
Commerce	807,406	1,167,875
Royal	456,352	2,583,234
Dominion	237,421	282,765
Hamilton	324,371	972,449
Standard	520,057	871,945
d'Hochelaga	1,275,476	159,069
Imperial	366,706	650,468
Home	183,129	......
Sterling	19,783	263,604
Weyburn Security	624,108	82,758
Total	$8,776,819	$15,811,200

Former Banker's Death Recalls Stage Coach Days

Sheriff James A. Hall, who died at Peterborough in his 86th year, had held that office for 51 years, and prior to his appointment in 1872 was local manager of the Bank of Commerce.

As a young man attending college in Toronto, Mr. Hall had to make the journey in the Pickwickian manner of the stage coach, with stops along the road for fresh horses and meals. The route followed the old Lake Shore road to Cobourg, and thence to Peterborough. Taverns were numerous, almost innumerable, and the company diverting and entertaining, even in the long, cold rides at the Christmas holidays.

The Chesley Enterprise says: W. B. Cress, who has been manager of the Merchants Bank and Bank of Montreal in this town for the past four years, has been transferred to Flesherton.—The Sun Times, Owen Sound.

SECTION 88 IS NO CONVENIENCE TO THE BANKERS

Banks Would Not Mind Further Amendments as Suggested

The changes made in connection with Section 88 of the Bank Act at the last session of parliament at the instance of British exporters, are evidently not proving satisfactory to them. The Bradford Chamber of Commerce, according to a cable from John MacCormac, is recommending that the following clause be inserted in all confirmations of Canadian orders:

"Title and interest in the merchandise herein described shall remain in, and shall not be pledged, mortgaged, hypothecated, or otherwise charged to any bank, trust company, corporation, firm or individual until fully and finally paid for in cash. Receipt from the purchaser of promissory notes or other negotiable instruments shall not constitute payment until such instruments are actually paid."

They also recommend that British firms should draw on all Canadian firms through the Canadian firms' own banks, whose attention should be drawn to the special clause. Several Bradford firms are stated to have already adopted this procedure, which in the opinion of leading counsel in Canada will prevent the hypothecation of goods to Canadian banks, and the vendor will retain his prior lien under the provision of section 89 of the Canadian Banking Act.

Under Section 88, as originally adopted, the banks were empowered to make loans on goods and merchandise on the same basis as on warehouse receipts. British exporters complained that loans were thus secured without the goods being paid for, and the banks were able to exercise a prior claim. Then, at the last session of parliament, an amendment was made requiring registration of the intention to borrow under Section 88. This amendment follows:

88a. Any person intending to give a bank security under the authority of Section 88 of this Act must give notice of such intention before any loan is made by the bank to such person and the security taken, by signing a document which may be in the form set out in Schedule F to this Act or to the like effect. Such document shall be registered in the manner hereinafter provided, and, after this section comes into force, any security subsequently taken under the authority of Section 88 of this Act before such document is registered shall be null and void as against the creditors of such person and as against subsequent purchasers or mortgages in good faith. A notice of intention when registered shall be deemed to be notice for purpose of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

2. The document mentioned in the last preceding subsection shall be registered in the office of the Assistant Receiver-General (hereinafter called the Assistant Receiver) in the province in which the place of business, or principal place of business in case the person has more than one place of business, of the person is situate.

Now, it will be noted, the demand is that the rights of the vendor shall not be secondary to those of the bank. In other words, the goods would to all intents and purposes be under lien and, of course, the banks would not lend until the goods had been paid for.

In all the discussions of this question the impression has been created that the issue is one between the exporters and the banks. This is not the case. The banks are not particularly concerned with the amendments made to Section 88, or with its abolition, for that matter. It was not adopted to please or convenience them, but for the benefit of importers and manufacturers who desired to increase their borrowing facilities. This is a point which bank managers should have in mind in explaining the widely misunderstood position of the banks in connection with this much-discussed Section 88.—J. W. T.

EXCHANGE

Franc exchange has suffered severely. Recent rates are much the lowest record for all time, and compared with a quotation of 7⅝ cents in the earlier part of the year. The depreciation of nearly one-third is to be attributed in large measure to the direct and indirect effects, political and economic, of the occupation of the Ruhr, according to Spencer, Trask & Co. At the same time, the sharp decline of ½ cent in the present month is more particularly due to a combination of unfavorable circumstances—the recent British elections, which have resulted in a ministry considered unsympathetic to France; the apparent inability of the government to reduce its advances to the Bank of France, and the reported withdrawal of support to the exchange market by interests who were considered close to the government. Speculation for the fall has also been a contributing factor. Disturbing as the decline may be, we hold there is no ground whatever for the flippant statements heard in some quarters that the franc is to go the same way as the mark.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Dec. 27..	2 17-32	2 7-16	1 1-16	15-16
Dec. 28..	2 15-32	2 7-16	1 3-8	1 1-8
Dec. 30..	2 17-32	2 1-2	1 29-64	1 3-8
Dec. 31..	2 17-32	2 1-2	1 3-16	1 1-8
Jan. 2..	2 17-32	2 1-2	1 3-32	31-32

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Dec. 27	4.34½	5.10	4.33¾
Dec. 28	4.34	5.10	4.33
Dec. 30	4.33¾	5.13	4.33¼
Dec. 31	4.31 11-16	5.08½	4.32¼
Jan. 2	4.27¼	4.94½	4.27

Forges Rubber Stamp Such as Used by Banks

VANCOUVER.—Through the use of a forged "certified" rubber stamp, exactly similar to that used by the banks, a man, who has kept a small account in three local banks, obtained a total of $9,012 by cashing worthless cheques during the pre-holiday rush.

In the Canadian Bank of Commerce and the Union Bank he had accounts under the name of G. A. Roberts. In the Standard Bank he was known as H. A. Stewart. He kept small accounts and was in good standing in the banks' books for 12 months. He cashed a cheque at the Bank of Commerce for $3,262; in the Union Bank one for $2,200 and in the Standard Bank one for $2,550. Each cheque was stamped in the regular way as certified by the ledger keeper. There was only a few dollars on deposit in each bank to meet the cheques.

Winnipeg's Oldest Private Bank Had Colorful History

W. F. Alloway, of Alloway & Champion, Closes a Picturesque Career With the Absorption of His Bank by the Bank of Commerce

From Our Own Correspondent.

WINNIPEG.—With the absorption by the Canadian Bank of Commerce of the banking house of Alloway & Champion, W. F. Alloway, pioneer private banker, concludes an active and picturesque career, which extended over a period of 45 years. Winnipeg's oldest private bank, which loses its identity in the well-known chartered bank, according to the latest available figures, had assets of $2,804,793.

The veteran Mr. Alloway says the foundation of his banking success was built upon a "golden rule for bankers." During 50 years of business he says he never signed a note and never gave a mortgage. He always bought for cash. In every business transaction he always paid in full with cash at the time of the transaction. He never paid interest upon any agreement.

"As a result of this golden rule for bankers I have never taken any chances and never been faced with liabilities for which I was unprepared."

Mr. Alloway's retirement calls to attention a long career of usefulness in the upbuilding of Western Canada. "I am now 72 years old," he said in an interview this week, "and for some time I have had to face the fact that the day is coming which will find me no longer able to carry on the business to which my life has been devoted. I am old now, and it is time I should retire. But I felt I could not do so until I had made the best possible arrangements for having the interests of all the customers of Alloway & Champion taken care of."

Oldest in Canada

The private banking institution of Alloway and Champion is the oldest of its kind in Canada. "It lived and prospered," is the tribute of the Winnipeg Tribune. "It was built substantially from the beginning, with the result that in all commercial and financial weathers it moved steadily forward." Established in 1879, it was only preceded in Winnipeg by the Merchants' Bank of Canada, and the Bank of Montreal, while its next banking successor was the Union Bank of Canada, which first came to Winnipeg in the spring of 1882 to be succeeded gradually by all of the chartered banks of the Dominion. Alloway and Champion has the enviable record of surviving 13 other private banks established in Winnipeg, and several of the chartered banks.

The last annual statement and balance sheet of Alloway and Champion showed assets totalling $2,804,793, of which $133,349 was cash and $1,147,789 Victory bonds—a total of $1 281,138 in liquid assets. Public deposits were $1,578,589. The bank's liquid assets were thus 80 per cent. of public liabilities, a strong showing which, however, was characteristic of the conservative Alloway management. Additional assets included $500,000 first mortgages, and $500,000 loans and discounts. The banking premises—an historic site on Main Street, south, occupied since 1884—were valued at $200,000, while $190,787 in farm properties, and $32,852 in city properties, were also held. The paid up capital was $1,025,000, and the reserve $200,000.

"Bill" Alloway, as he is familiarly known by his intimates, is one of those picturesque characters, now growing few, who came to Winnipeg when it was yet Fort Garry. With H. T. Champion, his business associate for 37 years, he arrived in the autumn of 1870, as did so many of the young men who have left a distinct impress upon Western Canation life. They came together with the Wolseley Expedition. For eight years young Alloway engaged as a Western freighter, while young Champion entered the services of the Merchants' Bank of Canada, and worked up to the accountant's post in the bank, thus acquiring the banking technique which found its real expression in the private enterprise upon which he and Alloway embarked in 1879.

Before the Railways

There were no railways in the West in 1870, but it was essential that quantities of goods be transported across the prairies. Mounted police were established at strategic points, engineering parties were out for the railway, which the Mackenzie government proposed, and certain classes of goods had to be forwarded regularly to the Indian reservations. The Mounted Police alone had between 1,000 and 1,200 horses, and all the oats, after being bought in the United States, had to be transported over the prairies by the Red river carts. Alloway, his soldiering over, had many hundreds of these carts in service, and continued actively in the business until 1878.

At this time there were but the two chartered banks in Manitoba, and it appeared to Alloway that there was an opportunity for a private bank. Accordingly, he and Champion entered into a partnership. In the first years the office was on the east side of Main Street, about on the site of the present Bank of Montreal structure. It was an insignificant building and disappeared many years ago to make room for modern archi-

(Continued on page 16)

WAREHOUSE LOANS BUILD BUSINESS

Sir Frederick Williams-Taylor Tells How Banking Feature Develops Trade

From Our Own Correspondent.

MONTREAL.—How business is built in Canada by bank loans against warehouse receipts is described by Sir Frederick Williams-Taylor, general manager of the Bank of Montreal. Sir Frederick says:

"As an illustration of how the business of the country is developed by loans against warehouse receipts, take the case of a lumber firm. As winter approaches the firm arranges with its banker for credit for forest operations, and concurrently with each advance, the banker takes from the firm a formal undertaking to furnish security on the logs and lumber to be created.

"When the logs are driven down the rivers in the following spring, the 'undertaking' referred to is supplemented by a security receipt, similar in character to a warehouse receipt. The process of converting the logs into lumber starts forthwith, and usually continues during the whole of the summer months. Towards the end of the summer the green lumber is converted into cash or bills, and the banker is repaid, but only by gradual process, as almost invariably one season's operation overlap another's—that is, the banker is called upon for fresh advances before the previous ones are liquidated.

"Another illustration would be the financing of the great cereal crop of the West. The grain dealer borrows from the bank on his personal receipt to pay the farmer; presently when the grain is moved East, the railway bill of lading takes the place of the receipt. The bill of lading is later exchanged for an elevator receipt, which in due course is exchanged for lake and ocean bill of lading, which accompanies the draft drawn on the firms abroad to whom the grain is sold, and from the proceeds of which draft the banker is reimbursed.

"I have given only two illustrations out of many which might be given, from ship-building to egg-packing. A very large part of the commercial banking business of Canada is carried on along such lines, but its scope cannot be better described than by reciting Clause 3, Section 88, of the Bank Act:

"'The bank may lend money to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacturers'."

Sir Frederick's remarks appear in the course of an article contributed to "Canadian Machinery."

ROYAL BANK

G. MacGregor Mitchell, of Halifax, who has been elected a director of the Royal Bank of Canada, is a member of a family prominently identified with the business and social life of Halifax for several generations. He is president of G. P. Mitchell & Sons, an important firm of West India merchants founded in 1835. His father was a director of the Union Bank of Halifax, which was absorbed by the Royal Bank of Canada in 1910, and his grandfather was one of the founders of the Merchants Bank of Halifax, the original name of the Royal Bank of Canada.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - - $6,500,000

EXPERIENCED ACCOUNTANT

EXPERIENCED ACCOUNTANT desires position as Chief Accountant, or Office Manager. Capable of taking entire charge of office staff and accounts. Can furnish best references as to ability and character. Reply Box 2, The Financial Post, Toronto.

Accomplishment
1923

New Business Issued .... $ 65,000,000
Business in Force $350,000,000

THE GREATEST
OF MANY GREAT YEARS

The Great-West Life
Assurance Company
Head Office—Winnipeg

Staff Gossip

K. Bone, from Vidora, has been appointed manager for the Union Bank at Limerick. The Bank of Montreal have appointed D. MacDonald, from Stoney Plain, to take charge of their branch at Limerick.—The Leader, Regina.

* * *

Hector Lapierre, manager of the local main office of La Banque Provinciale du Canada, and one of the most prominent younger French-Canadian business men of the city, has been elected president of the Sacred Heart section of St. Jean Baptiste Society of Ottawa.—The Journal, Ottawa.

* * *

Norman J. H. Brown was the guest at a complimentary smoker in McNeedy's hall, Ladner, recently, when a handsome leather club bag was presented to him on behalf of the members of the Delta board of trade.

Mr. Brown, for the last few years, has been manager of the Ladner branch of the Bank of Montreal, but, with the closing of this office, was transferred to Vancouver, where he will assume the managership of the Fourth avenue and Alma road branch.—The Sun, Vancouver.

* * *

The details of the amalgamation of the Canadian Bank of Commerce and the Bank of Hamilton are being carried out, and so far have involved two changes in the main branches of the banks here. J. C. Dow, who has been assistant manager of the King and Hughson street branch of the former bank, has been appointed assistant to Col. B. D. Hooper, manager of the head office branch of the latter institution. This branch will be known as Bank of Hamilton branch of the Bank of Commerce. Other branches, it is stated, will likely retain their street or locality names.

L. M. Pethick, assistant accountant at the Hamilton bank, has been transferred to the same position at the Bank of Commerce, and A. Tufford, assistant accountant at the Commerce, will succeed Mr. Pethick at the Hamilton bank.

G. G. Laird will continue as manager of the main branch of the Commerce here.—The Spectator, Hamilton.

IMPERIAL BANK

The Imperial Bank of Canada announces the following staff changes:—T. R. Richardson, formerly manager at North End, Winnipeg, has been appointed assistant manager, Winnipeg branch. R. S. McClay, formerly accountant at North End, Winnipeg, has been appointed manager at the North End branch, Winnipeg. G. F. C. Love has again assumed the management of Quebec branch. E. J. Kay, formerly assistant manager, Montreal branch, has now been attached to head office staff.

Monthly Bank Clearings

EASTERN CITIES

	December, 1923	Change	%
Montreal	$462,289,671—	$ 7,368,289	1.5
Toronto	458,266,556—	22,985,199	4.9
Ottawa	31,398,954—	4,426,514	12.3
Quebec	35,912,627+	752,894	[illegible]
Hamilton	25,238,618+	605,988	2.4
Windsor	13,181,608—	582,095	[illegible]
London	12,858,729—	179,941	1.4
Halifax	12,186,545—	2,769,006	18.1
St. John	11,306,762—	[illegible]	[illegible]
Brantford	5,001,768+	245,704	5.2
Kitchener	4,474,945—	271,419	5.7
Moncton	3,912,303—	875,340	18.3
Peterboro'	3,608,990+	158,734	4.6
Kingston	3,553,712+	645,966	22.2
Sherbrooke	3,544,281+	58,023	1.7
Total, East	$1,078,636,155—	$39,061,174	[illegible]

WESTERN CITIES

	December, 1923	Change	%
Winnipeg	$307,294,683+	$37,306,426	13.8
Vancouver	65,775,726+	4,672,183	7.7
Calgary	35,207,503+	6,555,072	22.8
Edmonton	23,559,673+	3,577,074	17.9
Regina	20,209,834—	835,445	[illegible]
Saskatoon	10,089,678+	2,450,369	32.1
Victoria	8,403,606—	599,686	[illegible]
Moose Jaw	6,845,233+	264,843	4.0
Fort William	6,387,377+	2,191,969	[illegible]
Lethbridge	3,108,794—	75,310	2.3
Brandon	2,961,407—	[illegible]	[illegible]
N. W'minster	2,547,068+	230,218	9.9
Medicine Hat	1,814,221+	118,372	6.9
Prince Albert	1,802,739+	72,817	4.2
Total, West	$ 495,407,444+	[illegible]	13.4
Grand Total	$1,574,043,599+	[illegible]	1.3

Weekly Bank Clearings

EASTERN CITIES

	Dec. 27, 1923	Change	%
Toronto	$ 84,527,186—	[illegible]	4.3
Montreal	81,800,559+	1,562,818	1.9
Ottawa	6,103,240—	158,235	2.6
Hamilton	5,167,368—	100,908	1.9
Quebec	4,644,827—	600,159	11.3
Windsor	2,638,948+	169,421	6.8
St. John	2,398,657—	463,096	16.2
Halifax	2,297,496—	216,837	8.6
Brantford	993,985—	28,069	2.7
Kitchener	882,420—	83,488	[illegible]
Peterboro'	805,322+	50,340	6.7
Kingston	798,287+	196,416	32.6
Moncton	742,634—	129,964	14.9
Sherbrooke	690,484—	39,116	5.3
Total, East	$194,491,303—	$3,834,777	1.9
London	2,706,719	......	

WESTERN CITIES

	Dec. 27, 1923	Change	%
Winnipeg	$50,774,441+	$6,327,731	14.2
Vancouver	13,941,037+	2,129,335	18.1
Calgary	7,113,346+	2,258,171	46.5
Edmonton	4,215,348+	306,585	7.9
Regina	3,921,869+	217,097	5.9
Saskatoon	2,065,902+	523,077	33.9
Victoria	1,950,870+	74,989	[illegible]
Moose Jaw	1,421,947+	134,440	10.4
Fort William	1 866,229+	484,105	34.8
Brandon	593,691—	16,111	2.8
Lethbridge	510,537—	13,871	2.6
N. W'minster	494,265+	19,295	4.0
Medicine Hat	422,239+	76,165	22.0
Prince Albert	387,271+	47,100	13.7
Total, West	$ 89,177,292+	$12,580,758	16.4
Grand Total	$283,668,595+	$9,744,981	[illegible]

"An All Canadian Company"

The Toronto Casualty
Fire and Marine
Insurance Company
Head Office - Toronto

New Business for year ending December 31st, 1923

Auto Premiums Written .... (Less Cancellations and Reinsurances and Return Premiums) $269,985.89
Fire Premiums Written ...... " " ...... $ 81,029.02
Other Casualty Lines Written ... " " ...... $ 83,913.15
Total Premiums Written......" $434,928.06
Total Claims Paid in 1923...... $146,035.30

G. LARRATT SMITH, President. A. E. DAWSON, General Manager. ROBT. J. LAW, Assistant Manager.

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corrections, will be inserted in the news columns unless marked "Advertisement."

Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptances of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single Insertion .... $2.80 per inch
Financial Reports, Debenture Notices, etc., 20c. per agate line

SUBSCRIPTION PRICE:

Canada and United States .... $5.00 per annum
Great Britain and Countries in Postal Union .... 21s. 6d.
Australia and all other Countries..................... 27s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY

THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 126 Bleury St., F. S. Chalmers; WINNIPEG, 610 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard, Phone Dearborn 8694; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E. C., E. J. Dodd, director.

The detailed circulatio statement we submit is not our own ciami, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection..

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 4, 1924

Edited for the thinkers of the nation—those peope who analyze correctly and draw proper conclusions and who are responsible fo rthe Nation's sound thought on matters political and economic.

OTHER COUNTRIES CUT TAXES

ATTENTION has already been called to the proposed tax reductions in the United States on the basis of savings in public administration while Canada has continued to increase her debt and has raised the sales tax to 6 per cent. as one method of taking care of it. When speaking before the Toronto Canadian Club recently, Premier Massey, of New Zealand, stated that the income tax in that country had been cut in two. The following summary indicates taxation handicaps that Canadians and Canadian business continue to suffer under while other countries with which our products are competing are materially reducing the burdens:

England:—Has paid off hundreds of millions of pounds of her indebtedness; has reduced her civil service to within ten per cent. of pre-war days; and, despite enormous necessary outlays for defence, for a world-encircling administration, and for unemployment doles, produced a surplus of $450,000,000 last year and reduced taxation.

Australia:—Balanced her budget last year and proposes to reduce taxes this year.

New Zealand:—Produced a surplus of over $6,000,000 last year, and, as a consequence, reduced the income tax; abolished it altogether so far as farmers are concerned; reduced the tax on amusements and lowered the duty on tea.

KEEP OUT RUSSIAN MISSIONS

HON. Mr. Low, Minister of Trade and Commerce, says that the Canadian Government will be willing to receive a Russian trade delegation whose personnel is satisfactory to the British Government.

There was a time when it was safe for us to follow the Home Government's advice and example. But it is very unwise to do so now. The Conservative Baldwin Government last summer agreed to accept as Russian Ambassador in all but name a man who was shown to belong to the murderous group, and the appointment was held up. The Bolshevists hope now to get it through.

On the proposed mission to Canada are men who are equally objectionable. Their real object is not trade, but some form of recognition which they can use to irritate the United States and to influence their own people at home as a sign that the world is coming to the Soviet.

Cabling from Warsaw to the N. Y. Herald, Captain McCullagh, now the most reliable correspondent on Russia we have—the man whose despatches saved the lives of the prelates last year—says:

> "The failure of Prime Minister Baldwin to obtain a majority for protection, and the probability that a Labor Government will come into power in England, has excited as much interest in the Kremlin as at the Quai d'Orsay, and unless the Bolsheviki behave in the meantime with utter foolishness and recklessness, their Government probably will be recognized de jure by England before July.
>
> "The recent renewal of the Bolshevist persecution of Christianity therefore probably will be checked. The patriarch will not be molested any further. The anti-Christian manifestations planned for Christmas will be confined to closed premises, and not carried out in the open streets. The Baptists and Methodists who are at work in Russia will be allowed a comparatively free hand, but no relief will be given to the Roman Catholics or to the Uniats.
>
> "The result of the English elections will not be the only cause of this modification. The failure of the expected revolution in Germany is another important factor. The Red leaders counted with absolute confidence on a Communist upheaval in Germany, and the absence of that upheaval has opened their eyes."

FARMERS MODIFY TARIFF DEMANDS

THE principles of the Canadian Council of Agriculture laid down in the so-called "Farmers' platform" of 1918, and which called for broad and substantial reductions of customs tariffs, larger Imperial preference, reciprocity with the United States, all foodstuffs on the free list, implements and building materials to be imported free of duty, etc., have been radically changed in the revised version which the council recently adopted. The tariff question is confined to the following succinct statement:

> Condemnation of the principle of tariff protection. The Council advocates the enactment of a custom tariff based solely on the needs of the public revenue, the immediate abolition of the tariff on the implements of production, a substantial increase in the British preference, and a reciprocal trade agreement with the United States.

Likewise the proposals of 1918 for the collection of revenues, including a direct tax on unimproved land values, graduated income tax on individuals and corporations, inheritance taxes, etc., have been dropped for the following sugggestion:

> Collection of public revenue as far as possible by direct taxation imposed with due regard to ability to pay and to the benefits received by the taxpayer.

The Canadian Council of Agriculture has then, as pointed out by the Regina Leader, abandoned the demand for an immediate and substantial all-round reduction of the customs tariff, as well as the demands for eventual free trade with Great Britain and the admittance of foodstuffs to the free list. The Leader continues:

> Apparently the Council of Agriculture has become convinced that the present fiscal requirements of the country do not permit of the adoption of the radical proposals made in the declaration of principles five years ago. . . .
>
> A good deal of embarrassment was caused to candidates who ran on the farmers' platform in 1921 by the impracticable proposal that a direct tax be levied on unimproved land values. The Council is wise to confine its advocacy to the broad principle of direct taxation. . . .
>
> The most important addition that the Council has made to its declaration of principles is a clause urging that adequate supplies of capital for agriculture be provided by the establishment of facilities for long term loans.
>
> All in all, a vast improvement has been wrought in the legislative program of the Council. The public was led by a statement issued in Winnipeg recently to believe that the new declaration of principles would contain reference to certain matters in connection with which the farmers are expected to solve their problems unaided. Those matters have been left perhaps to be dealt with at a future time.

GERMANY HAS MONEY FOR RAW MATERIALS

FROM January, 1919, to Nov. 1, 1923, Germany purchased 641,844,616 pounds of copper. Figured at the present low price of copper this would total $84,000,000. In marks the total would be beyond comprehension. The question is, where is the money coming from? It should also be kept in mind that copper is but one of many items of German import that have been growing in leaps and bounds.

It is being suggested that, by means of money located outside Germany, that country is buying heavily, for cash, vast quantities of raw materials. It has been contended that Germany's heavy imports are some justification for an enquiry into her ability to pay reparations. The copper figures rather support this. Another fact not to be lost sight of is that copper figures strongly in the manufacture of munitions. Prior to the war Germany was the heaviest purchaser of U. S. copper, taking in 1913 one-third of the U. S. production. It is also to be remembered that, during the war, when outside supplies were cut off, Germany confiscated everything in the way of copper in the country.

OUR ARMIES OF TAX-EATERS

BUSINESS men who visit Ottawa will have a sympathetic feeling for B. C. Forbes, who, visiting Washington, found his breath taken away in seeing "the scores of gigantic buildings housing tax-eaters." He continues:

> You learn, too, that even these staggering buildings usually are not sufficient to house all the employees, and that "overflow" buildings are occupied here, there and everywhere all over the city. I had never happened to see the Interstate Commerce Commission building until the other day, and I confess it sent a cold shiver down my spine. The feeling one gets is that even a financial genius like Secretary Mellon will not be able to get very far in reducing taxes so long as the army of tax-eaters keeps on multiplying at a frightful rate. Surely, government in this country is being grossly overdone. We must be a bad lot to need so much regulating, so much governing, so much watching over and probing by governmental officials.
>
> Yet, is it not just possible that if we had needed less regulating, if we had been able to run our affairs more agreeably to the public at large, there would not have been set up all this inordinate and inordinately costly machinery to pry into our affairs and make us act decently towards one another and towards the public?

Mr. Forbes believes that Washington has still a long way to go before governmental expenses will be on a business-like basis. And yet Washington has made much better progress in this connection than has Canada. Ottawa will also have to do something to reduce its army of tax-eaters before any material relief from taxation burdens can be looked for.

THE FARMERS' OWN REMEDIES

THERE should be no desire on the part of business to minimize the difficulties under which the farmer is laboring. The benefits of the big crop this year have been lost to some extent because of a new decline in prices for farm products. Labor and other costs of production have not declined to an extent to provide a satisfactory margin of profit. Until that margin is increased the purchasing power of the rural community will continue below par and prosperity will be deferred.

But it is a doubtful policy to expect that this problem is going to be solved by economic shortcuts which defy common-sense business principles. Politicians well-intentioned and otherwise; radicals who are anything but well-intentioned, and generous-minded busybodies who have no definite intentions at all, are making all sorts of suggestions as to how the farmer is to be made prosperous by adopting economic panaceas. The legislative bodies have gone far in passing all sorts of ridiculous laws to find some way out rather than face the hard facts. So far has the situation developed, in fact, that there is now a change of feeling and the necessity is being recognized for doing something to encourage capital if the whole country, and particularly Western Canada, is not to suffer because credit has been undermined.

It is refreshing then to find that some farmers are facing the situation and are working their way out with old-fashioned application and thrift. Before the Royal Grain Inquiry Commission at Neepawa, John Crawford, an experienced farmer, declared:

> "Manitoba is all right. If the farmer will stop damning the other felow and realize that he has in his own hands the remedy for most of his troubles we will pull out of this depression. I speak as one who has farmed for nearly 50 years in this province and am still at it. What the farmers of this country need, and I maintain we are better off than the farmers in any part of the world, is a state of mind that will convince them we can never get out of this depression except through our own unaided efforts."

John Crawford had $5.00 in his pocket when he arrived in Winnipeg from Ontario. He started as a farm hand. To-day he has farming 5,000 acres, and, even under the unsatisfactory conditions, is making a little money all along the line by practising rigid economies.

The advice of John Crawford should be valuable in encouraging Western farmers to work out their problems. He does more than make suggestions; he sets an example.

EDITORIAL NOTES

FRANCE insists that Germany has now $2,000,000,000 in the United States and as much more on its way there via England, Holland and South America.

* * * *

E. D. CALVERT, noted guide and sportsman of Rainy River, who has done much toward bringing tourists from all parts of the United States to the Lake of the Woods, states that the tourist traffic this year has greatly exceeded all previous years and anticipates a greater increase next season. Canada's tourist industry is quite evidently not confined to one season.

* * * *

AMERICANS are getting round shouldered from bearing the huge burden of taxes resulting from the excessive cost of government, according to Chairman Louis W. Hill, of the Great Northern Railway. But while Americans have relief in sight, Canadian taxpayers, with a much heavier burden to carry, have no such immediate prospect to look forward to.

* * * *

AUTOMOBILES on farms are used mainly for business purposes with comparatively little use made of the machines for pleasure, the United States Department of Agriculture has learned in recent farm management surveys. On 1,371 farms surveyed, 923 farmers reported the ownership of 1,000 automobiles or trucks. The owners of the cars stated that from two-thirds to nine-tenths of the use of machines was for farm business.

* * * *

IF DEVELOPMENTS in England should make it seem probable that a Labor government might come into power in the not-far-distant future, the result would almost surely be that heavy buying for English account would appear in the United States in the opinion of the Cleveland Trust Company. The Labor party is pledged to a capital levy, and if that seemed in prospect, capital would begin to flow from England.

Flavelle's Proposal to Adjust Debt of the National Railways

The proposal of Sir Joseph Flavelle for a readjustment of the finances of the National Railways has come in for further discussion since it was repeated recently before the Toronto Bankers' Association. The assumption evidently is that Sir Joseph's proposal was to wipe out the debt of the railway by some simple act of bookkeeping. This is so far from his actual suggestion that, without considering the advantages or disadvantages of the plan, it may be advisable to outline the proposal as contained in a letter addressed to the Right Hon. Arthur Meighen, in August, 1921.

In brief, Sir Joseph, taking the stand that much of the capital invested in the railways has been completely lost, proposes, not to wipe out the capital debt, but to adjust it on the basis of earning fixed charges to compare with the interest and dividends paid by the Canadian Pacific Railway. He would thus fix the earning power of the National Railways around $40,000,000 a year, and would reduce the capital investment to meet that basis. But he would not wipe off the books of Canada the amount so reduced. He proposes that the railways issue common stock to the government to that extent. Also he suggests that annual deficits below the proposed $40,000,000 a year should not be pyramided but that further stock be issued to represent these amounts and also to represent new capital required. Thus, he argues, that the management of the road would have a possible target to aim at after several years of successful operation and efficient administration. He argues also that the roads could never earn fixed charges on the present capitalization. If, however, at some time in the future earnings did in a period of prosperity become greater than the fixed charges referred to the government, which would have preferred and common stock to represent the suspended obligation, could ask for dividends.

Sir Joseph's proposal in part as contained in his letter to Premier Meighen was as follows:

> That the new National Railway Company to be formed shall have a nominal capital of say 5,000,000 common shares and 2,500,000, 6 per cent. preference shares — each share par value $100 The total authorized capital would thus be $750,000,000.
>
> That the government take common shares at par in payment of its existing advances to the various systems. These as of December 31, 1920, were $320,000,000 of loans and $33,000,000 of Grand Trunk Pacific debentures.
>
> The figure would no doubt be increased by December 30 next, or whatever date was fixed for taking over. The government would turn over to the company the equity in the system, subject only to the bonds and debentures and guaranteed stock isued to the public, and to the fixed charges which may result from the Grand Trunk arbitration. Thus, the existing government advances, excluding the capital cost of the Intercolonial and Transcontinental, would be represented by common stock ownership only, and no part of the interest on it would be a fixed charge or would be cumulative.
>
> As regards the future: When the issues of National Railway securities incident to the immediate plans of the Minister of Finance are completed, I would suggest that any expenditure which can or should properly be charged to capital, shall be provided by the government from year to year, and be capitalized by the issue to the government of a preference stock at par in respect of their capital advances. Any annual deficit on the other hand, which has to be met by the government through the failure of operating revenue to cover operating expenses, plus fixed charges due to the public, should be met by an issue to the government of common stock at par.
>
> Thus, the company, at the commencement, would have the whole of its preference stock unissued, i.e., $250,000,000, and also $172,000,000 of common stock unissued. The preference stock would only be issued against capital expenditure advanced by the government. The balance of common stock would be issued to capitalize the operating deficits and fixed charges over the next few years.
>
> The result of this would be as follows:
>
> 1. The cost of constructing the Intercolonial and Transcontinental Railways would be written off at once.
> 2. The further actual cost up to date to the Government of acquiring the various systems (except for the fixed charge incurred in respect of the Grand Trunk acquisition) would be converted into the form of common stock.
> 3. Future capital provided by the Government for betterment, etc., would take the form of preference stock.
> 4. Future deficits would, for the time being be converted into common stock until it appeared that there was a prospect of the company being able to pay them off out of the excess earnings within a reasonable number of years.
>
> On some plan like this, the accounts of the company would show clearly from the arrangement of the capital itself.
>
> (a) What the cost to the Government had been of acquiring the system (after writing off the Transcontinental and Intercolonial) since this would be represented by common stock.
>
> (b) What losses were sustained in operation and in payment of fixed charges, since these would be represented by the increase in common stock over the original issue to cover advances when the new company was formed.
>
> (c) What additional capital expenditure the Government had made to the Railway System after its unification, since this would be represented by the preference stock.
>
> (d) What obligations were due to the outside public, since these would remain in the form of bonds, debentures or guaranteed stock on the existing systems.

Sir Joseph added that "plainly we should face the fact that the $353,000,000 of loans have no immediate interest-bearing value, and until the National system is upon a paying basis the annual deficit in operation and fixed charges are an actual and irrecoverable loss and should not be carried as active debt against the railways."

Demands Credit for the Private Railway Builders

Taking up the oft-repeated statement of the public ownership newspapers that the present railway muddle in Canada has been entirely due to the failure of private enterprise, George B. Nicholson, in a letter to the editor of the Toronto Globe, declares that such statements delude the Canadian people if they are guided by them and misrepresent men who have honestly built up and operated privately owned railways in Canada. His letter continues:

> In the first place, the great burden we are carrying by way of interest and fixed charges on the National Railways or on our publicly owned railways is the result of our own acts in the period following 1903 in projecting a railway represented by the Transcontinental east of Winnipeg and the Grand Trunk Pacific west of Winnipeg, contrary to what every expert railwayman who had anything to do with the matter considered wise, and into which was put more than $500,000,000, and which constituted a millstone that not only brought down into a hopeless wreck the Grand Trunk Railway of Canada, but made impossible the economical operation of a carefully designed and projected privately owned railway that we ourselves had at the same time encouraged in the Canadian Northern. The only privately owned railways in Canada that were ever given a chance by the Canadian people are the Canadian Pacific and the old Grand Trunk. The former is the greatest and most successful transportation system in the world. The latter would have had an excellent opportunity to become equally successful had we allowed the plans worked out by the railwaymen themselves for extending their system into Western Canada, or for linking it up with the then projected Canadian Northern, to be carried out, and because we refused to do that we are carrying the load that is bearing so heavily upon us, but we should not misrepresent the men whose judgment we refused to follow.

A Financial Session at Ottawa

WINNIPEG.—Regarding the coming session of parliament at Ottawa the Manitoba Free Press comments:

> In the coming session of parliament financial matters will occupy a foremost place in the discussions. This is an indication of the new era in which we are living. The session will be devoted largely to the questions of national expenditure, taxation and other financial matters because those are the things in which the people are most keenly concerned at the present time. The main test for the government is likely to lie in the way in which it stands up to these problems.
>
> Both the Progressives and the Conservatives will be unsparing in their criticism of all expenditures the urgency of which is not clearly demonstrated. The government is likely to be put on the defensive also in regard to the new sales tax, which goes into force at the first of the year. The Ontario branch of the Canadian Manufacturers' Association lately expressed strong opposition to it and urged that it be replaced by a turn-over tax. Following this up, they brought to Toronto, a few days ago, Mr. Meyer D. Rothchild, chairman of the United States Business Men's Tax committee, to explain the advantages of a turn-over tax as compared with a sales tax. The Mail and Empire, one of the leading Conservative newspapers of the country, also declares that the new sales tax "has produced dismay in business circles, and hopes are entertained that the date on which it is to come into effect will be deferred so as to give the government a chance to bring in legislation to repeal the intolerable impost." It declares that the new tax would be vexatious in its working and that it would also be "insufferably burdensome." One of Mr. Meighen's main points of attack on the government is that, through failure to cut down expenditure, the government is imposing such heavy taxation that people are being driven out of the country. It would be very easy, of course, to ask Mr. Meighen what his own government did to cut down expenditure and hasten the time when the country would stop adding to its already stupendous debt—and, particularly, what the building of ships for the Canadian Merchant Marine, after the need for them had passed, has done to facilitate a reduction of taxation.
>
> The strength of the financial criticism of the present government will lie in the fact that the country is in a serious mood and demands that all governments make their control of expenditure and their handling of the problem of taxation the supreme test of their fitness for office. Recrimination has been a common method of the past in dealing with attacks on a government, but that in itself is no longer sufficient. The only thing that will count is results and the clear justification by a government of all its financial policies. In so far as it can do this will it deserve public support.
>
> There is much that the government at Ottawa can do in that direction if it will. The country has been given to understand that the budget may balance during the present fiscal year, or that the deficit will be comparatively small if there is one. It will be to the credit of the government if it can comb the estimates for next year so as to keep expenditure within the national revenue and, if possible, to make some reduction in taxation. A return to the two-cent postal rate would also be very welcome and it is quite possible that it would mean no loss to the government, because a reduction in postal rates invariably leads to an increased volume of business.
>
> In connection with the further revision of the Bank Act there is a plain duty before the government in the matter of providing for government inspection of banks. The disclosures in the Home Bank failure have shown that the public needs this protection, and it has been stated on behalf of the banks that they will not oppose government inspection. The demands of the Home Bank depositors for compensation from the government will doubtless be strongly pressed in parliament, as it was in the case of the Farmers' Bank some years ago. The government, however, can hardly do otherwise than follow the course taken by parliament then in refusing to admit any responsibility or grant compensation for the losses sustained by bank depositors.
>
> Finally, there is the important question of rural credits. The subject is now being investigated for the government by the National Research Council and if the report is submitted in time for the government to take action at the coming session in the way of providing facilities more suited for the financing of agricultural operations, it will be meeting a great need which is particularly felt in the western provinces.
>
> With Hon. W. S. Fielding, a veteran minister of finance, unable to be present during the coming session, when financial matters will be right to the fore, the government will be under a handicap. That, however, will not justify the government in marking time. There are, moreover, many of these financial matters in which the course of the government should be fairly plain and which afford it the opportunity of showing whether it is in office to serve primarily the interests of the people.

PERSONALS

ARTHUR B. D. BRUCE, who has just been admitted to partnership in the investment house of Housser Wood & Co., has been connected with the firm since 1919. Prior to that he was with the Bank of Nova Scotia and prior to that with the Bank of Ottawa.

F. W. HARCOURT, K.C., who was recently chosen as new president of Canada Landed and Investment Co., succeeds the late D. E. Thomson, K.C. He fills the post of official guardian of the Ontario high court which post he has held since 1902. Prior to Mr. Thomson's death he was vice-president.

GORDON S. RALSTON, who has just been admitted to partnership with Housser Wood & Co. investment house, has been connected with that house for some three years. Following service overseas he joined Canada Bond and later changed over to Housser Wood. His father, A. J. Ralston, was until recently president and managing director of the National Life.

WILLIAM DOBIE, who established the business in Toronto of E. W. Gillett, is dead following injuries sustained in a fall, having suffered a fractured skull. He has been living retired the last few years, retaining only the honorary presidency of the E. W. Gillett Co. He was responsible for the placing on the market of Magic Baking Powder and Gillett's Lye, which to-day have a world-wide sale. He gave up active control of the business two years ago. He had a long connection with the Toronto Board of Trade and Canadian Manufacturers' Association.

WILLIAM D. ROSS, who has recently been chosen vice-president of Atlantic Sugar, is interested in many enterprises. He is a director of the Bank of Nova Scotia; director of Porto Rico Railway and director Nova Scotia Steel and Coal Co. For many years he was an official of Bank of Nova Scotia, rising up from the ranks to branch manager. Assistant inspector at head office; chief clerk finance department, Ottawa; assistant general manager and later general manager Metropolitan Bank, Toronto, and conducted the negotiations which resulted in its merger with the Nova Scotia bank. He is a Councillor of Canadian Bankers Association.

G. MACGREGOR MITCHELL, of Halifax, who has been elected a director of The Royal Bank of Canada, is a member of a family prominently identified with the business and social life of Halifax for several generations. He is president of G. P. Mitchell & Sons, an important firm of West India merchants founded in 1835. His father was a director of the Union Bank of Halifax, which was absorbed by the Royal Bank of Canada in 1910, and his grandfather was one of the founders of the Merchants Bank of Halifax, the original name of the Royal Bank of Canada. He is also a director of Brandram-Henderson, Limited.

JAMES SMELLIE MACDONNELL, who has been elected as director of the Federal Reserve Bank of San Francisco, is a former Toronto man. He is the second son of the late Rev. D. J. Macdonnell, the gifted minister of St. Andrew's Presbyterian Church, King St. He is an old student of Upper Canada College, which he entered in 1890. Like his elder brother, George, who was head boy in 1889, and his younger brothers Logie, Norman and Kenneth, James excelled at his books and generally stood at, or near, the top of his class. At Queen's University, Kingston, he graduated M.A., in 1898. Ill-health sent him west to California in 1899, where a chance meeting with the president of the First National Bank, at Pasedena, where the young Canadian was hoeing vegetables for a farmer, led to his entry into the banking careeer in which he has made a marked success.

OTTO KLOTZ, L.L.D., D.Sc., who died recently at Ottawa, has had a notable career as a Dominion public servant, being director of the Dominion Observatory at the time of his death. Born at Preston, Ont., he graduated from Toronto University in medicine and Michigan University in engineering. He explored the north shore of Lake Superior, practised medicine for a time at Guelph and Preston and then joined the Dominion Topographical survey. In 1908 he was chosen assistant chief astronomer. He was first president of the Association of Dominion Land Surveyors, holding the office for four consecutive years. In 1908 the Royal Astronomical Society of Canada honored him with its presidency. In 1910 he was elected a Fellow of the Royal Society of Canada. He was also a Fellow of the American Association for the Advancement of Science, and a member of the Academy of Science, Washington, D.C., and of the Astronomical Society of Mexico. He was a lecturer of note and a contributor to various scientific journals. Dr. Klotz completed the Canadian Transcontinental survey, laid out the lands adjacent to the C.P.R. in B.C., and made an exact astronomic girdle of the world in connection with the all-red cable route, besides a number of other notable achievements.

MR. IRWIN WITHDRAWS

J. D. Irwin has withdrawn from partnership in the firm of A. D. Morrow & Co., brokers.

Investment Suggestions for January Funds

Not only is the long trend of bond prices upward, but there are more immediate factors, such as the smaller volume of refunding issues and larger volume of investment funds during the coming year, which further indicate that prices of investment issues will, in all probability, continue their gradual appreciation throughout the coming year.

It is estimated that from thirty to thirty-five million dollars will be distributed in interest or dividends in the early part of January, much of which will be seeking investment. It is advisable, therefore, to make early selections of the securities you may desire.

The securities listed herein represent the best Canadian issues from coast to coast—from which selections can be made to suit the needs of all investors.

Security	Rate	Payable	Due	Yield
Dom. of Canada Deb. Stock Guaranteeing C.N.R.	4%	Can., Lon.	1934	5.35%
Dominion of Canada Guaranteeing G.T.R.	7%	New York	1940	5.50%
Province of Ontario..........	5%	Canada	1948	5.14%
Province of Manitoba	4%	Can., Lon.	1947	5.20%
Province of Ontario	6%	Canada	1943	5.20%
Province of Alberta..........	5%	Can., Lan.	1943	5.30%
Province of Ontario Guaranteed H. E. P. C.....	6%	Canada	1941	5.30%
Province of Saskatchewan	6%	Canada	1936	5.30%
Prov. of British Columbia....	6%	Canada	1941	5.35%
Prov. of British Columbia.... Deb. Stock Guar. C.N.P. ...	4%	Can., Lon.	1950	5.40%
Province of Manitoba......... Guaranteeing C.N.R.	4%	Canada	1930	5.40%
Province of Ontario .... Guar. Toronto Power Co.....	4½%	Canada	1941	5.40%
Montreal R. C. Schools........	5%	Canada	1943	5.15%
County of Norfolk............	6%	Canada	1931	5.40%
City of Verdun..............	5%	Canada	1938	5.30%
City of Niagara Falls........	5%	Canada	1925-33	5.40%

In addition to the above we have a wide selection of securities of Canada's representative towns, municipalities and industrial corporations, and an attractive list of odd amounts. Yields from 5.14% to 7.25%.

We urge that orders and reservations be entered early.
KEEP INVESTMENT FUNDS WORKING.
Copy of January List on request.

A. E. AMES & CO.
Established 1889. Investment Securities
53 KING STREET W.
TORONTO
MONTREAL VICTORIA NEW YORK CHICAGO
Telephones: Toronto, Adelaide 8201. Montreal, Main 3050. Victoria, 105.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

ALLEN'S THEATRES

W. E. W. Hastings, J. R. McG., Elora.—Will you give me your opinion of the outlook for Allen's Theatres? Was the sale to Famous Players put through? What are the prospects for the shareholders of the original company?

Control of Allen Theatres is now in the hands of Famous Players Corporation. The company secured 27 of these theatres by taking them over from the liquidator. Allen's did not control all and the Famous Players secured control of these by the purchase of stock. Thus the holdings of Allen shareholders are unchanged. The change was in the partnership, and this involved the management. The theatrical business is recovering from the depression. Most houses report a steady improvement in business. What success the Famous Players will have with the Allen houses when linked with their own to make a string of 64 remains to be seen. The general opinion is that the shareholders' position is improved.

MANUFACTURERS' FINANCE

Reader, Cornwall.—What do you think of shares of Manufacturers' Finance Corp., Ltd., are they a safe investment? They have paid their 8 per cent. dividend, I am told.

Manufacturers' Finance Corporation is a concern dealing in automobile and piano paper. It is in the hands of men versed in this business. Profits in handling such paper are large, if carried on carefully and conservatively. Manufacturers Finance was first launched to deal with piano paper. Later it absorbed Credit Alliance Financial, an R. T. Scott organization, on a share for share basis. It could hardly be classed as a safe investment. Rather is it an investment with speculative possibilities. If buying such stock, however, one must remember that such issues are not always readily marketed if the money was wanted in a hurry. You mention an 8 per cent. dividend. This is the regular dividend on the preferred stock.

CANADA STEAMSHIPS

H. McV., British Columbia.—Please let me have your opinion of Canada Steamships preferred stock, and the reason why it has dropped to so low a point.

Canada Steamship Lines has not paid its preferred dividend for some time and the company has been going through a process of reorganization that has meant the wiping out of profit through the taking of losses on the sale of various properties. The company found itself with a number of ocean boats that experience has shown should never have been purchased, and in selling these, substantial losses have had to be suffered. The company has been improving its shipping fleet on the Great Lakes and the St. Lawrence and this also takes a considerable amount of money.

The prospects ahead of the company are very good with the strong new interests in it, but it is quite likely that it will be a long wait for the shareholders before they can get assurance of a return to former prosperity and a definite and continued payment of dividends.

LOEW'S, OTTAWA

A. B. S., Ottawa.—I hold 10 shares preferred and 5 common shares of Loew's Ottawa theatre. I am anxious to know what to do. Why has no dividend been paid? Is there a possibility of a dividend? Would you advise me to sell or hold? Was the dividend question discussed at the annual meeting? Do you think holding dividends back is to squeeze out shareholders? I have written Ex-pres. T. P. Birchall, but got no answer.

No dividend has been paid because the financial position of the company has not been such as to warrant a distribution to shareholders. The arrears are piling up from some time in 1920, and the outlook is that if conditions continue to improve as they have, consideration of the shareholders' claims should soon be given. This was the intimation given at the meeting referred to in your letter. The best opinion obtainable is that you should not sell at the present time. The market price is very low and those in close touch with the company say there should be a steady improvement in the outlook from now on. The head office of the company is now in Ottawa. If you would call at the office you will undoubtedly be furnished with complete details of the company's position. Mr. Birchall says he never remembers getting a letter from you. He always made it a practice to answer every shareholder that wrote him.

L. R. STEEL TRUST

A large number of inquiries, including several from bank managers seeking advice in the interests of customers, have been received regarding the proposal for the organizing of a protective trust to secure control of the assets of the L.R. Steel Co. Shareholders of the old company are being asked to invest further in a reorganization of the enterprise.

Under the L. R. Steel Protective Trust, former shareholders in the L. R. Steel enterprises have until Jan. 5 to participate in operations of the trust, if any. To participate it is necessary to subscribe $10 per share. The trust agreement has been filed with the two depositories, People's Bank, Buffalo; Royal Bank of Canada, and also with the courts in Canada and the United States. Besides, the trustees are each under $50,000 bond.

The organizers of the trust fund, are in reality organizing a new company. They are asking only the old Steel shareholders to participate. It is the hope that sufficient of these will respond with subscriptions on the basis of $10 for every share of Steel held to provide a fund large enough to take care of the creditors. If this is achieved, the trustees of the trust will pay the amount of the creditors' claims over, and receive back L. R. Steel assets.

Trustees of the trust say they only plan to do what McKinnon, the New York broker plans to do. McKinnon plans to meet the creditors' claims and then organize a company, capital 500,000 shares with a par value of $10. Old Steel shareholders could take up two new at $5 a share for each old share held. McKinnon would underwrite this stock at $4 a share. He makes the one provision that if old Steel shareholders subscribe for more than 49 per cent. of the stock they must take it all. If he secured control he would immediately reorganize the enterprises. The trustees' claim is that they can do this and save the $1 per share underwriting fee of McKinnon for the shareholders. At the same time they say they would make their old holding good to the extent of about 20 or 25 per cent. This latter figure deals with the assets. These, placed at around $22,000.000 by the Steel enterprises, have dwindled and been pared until to-day they are said to be worth around $5,000,000, this figure being quoted as McKinnon's appraisal.

However, there is no certainty that the Protective Trust is going to be successful. The funds as raised are deposited in either of the two banks. They are being raised for one purpose—to salvage the assets.

If they are not used for this purpose, they must be returned to the subscribers. In the event of the Protective Trust failing, the receivers may then proceed to accept the McKinnon offer.

If successful in its drive, the protective trust, when it secures the assets, will then proceed with a new organization. Those who have subscribed for one or more shares of the trust will make up the shareholders. Old Steel shares will be worthless with no equity behind them. The Trust agreement is that the money advanced must be paid back at 7 per cent. This will mean that until the new organization raises enough funds to pay back this money with interest the trustees will have to continue. There is some talk of two separate companies, one in Canada, and the other in the United States, with the one trustee body in control. One of the highly important considerations would be management. Who would run the various enterprises? The sugar refinery, coal mine, candy factory, candy store, chain stores, etc.? The real estate equity in Canada is figured at $1,500,000.

Another factor that would have to be considered would be the question of working capital. The preferred and unsecured creditors' claims total $1,350,000. Besides paying off this sum the subscribers to the stock would have to provide working capital to keep the stores running and the other enterprises as well. The trustees say they have plans that may take care of this.

In the meantime, the claim is being made that many of the assets are being dissipated, and some criticism is levelled at the United States receivers. They point to the store in Denver; the building was sold for $390,000 when $500,000 could have been secured, while, in another city, the large structure was allowed to dwindle and the business fall away to nothing. Then it was sold. In this regard it should be remembered that while it is not probable it is possible for things to go the same with trustees in charge as with receivers.

RSC INVESTMENT-SERVICE

All Bonds--All Markets

THE First Mortgage Bonds or other Senior Securities of these Public Utility and Industrial Corporations have been widely distributed with Canadian investors by this organization. We can serve you best when you want up to date information or market quotations upon their securities.

Abitibi Power & Paper Co.
Alberta Pacific Grain Co.
Bathurst Company.
Bell Telephone Co. of Canada.
Booth Buildings.
Brompton Pulp & Paper Company.
Calgary Power Company.
Canada Cement Company.
Canadian Connecticut Cotton Mills.
Canadian Salt Company.
Continental Paper Products,
Donnacona Paper Company.
Drummond Investment Company.
Fraser Companies.
Maritime Telegraph & Telephone Co.
Nova Scotia Tramways.
Ottawa Light, Heat & Power Co.
Price Brothers & Company.
Spanish River Pulp & Paper Mills.
Stewart Terminal Elevator.
Wabasso Paper Company.
Western Power Co. of Canada.

We invite orders to buy or sell all high grade securities. Write for our current list of offerings, and review of financial conditions entitled "Investment Items."

Royal Securities Corporation
Limited
164 St. James Street - MONTREAL
MONTREAL TORONTO HALIFAX ST. JOHN
WINNIPEG VANCOUVER NEW YORK

Demand for Lower Taxes

TAX CUTS WELL RECEIVED
(Kamloops Telegram)

The provincial government has responded to the demands of two great sections of the people of British Columbia the farmers and the tradesmen, by bringing down in the budget heavy cuts in the farm property and the personal property tax rates. The farmers naturally are pleased, for with the conditions that have obtained in agriculture during the last few years the high provinical tax has been beyond their ability to pay, and the tradesmen are more or less placated, being half satisfied with a half cut in the personal property tax which they wanted wholly wiped out.

LOWER TAXES NEEDED
(Amherst News)

Emigration to the United States will continue to rob this country of thousands and thousands of its highly prized citizens as long as the real wages in the United States are superior to the real wages in Canada. At present the real wages in the United States are much better than they are in Canada. Figures appearing elsewhere in this issue bear out this statement.

Furthermore conditions in the United States bid fair to grow more favorable while in Canada they bid fair to grow less favorable. We would not be unduly pessimistic. But we all see increased taxation in sight in Canada while lower taxes are in sight in the United States. Our public debt is still increasing. Near and oppressive taxes are scheduled to become operative the first of the year. Do we hear our premier or any of his lieutenants sounding any word of relief? Contrast conditions here with those in the United States.

OTHER COUNTRIES REDUCING
(Quebec Chronicle)

Every other country in the world—at least every other English-speaking country—is reducing taxation. England is doing it despite millions for doles, and despite enormous commitments abroad. The United States, keeping expenditure well within revenue, proposes sweeping reduction in her income tax. Australia and New Zealand have both reduced both debt and taxation.

Canada, on the other hand, goes on piling up deficits; with the consequence that our people are crushed by all kinds of levies. On January 1 we shall face a new Sales Tax which, in the judgment of business men, is a positive menace to industry.

The effect of this taxation is quite plain. It is seen in a frightening of capital from development purposes. It is seen in timid, depressed, and retarded industries. It is seen in a cost of living that will not come down. And, last and worst of all, it is seen in heightening export figures of the citizenship of this country.

THE CONSEQUENCES OF HIGH TAXES
(Ottawa Journal)

To-day Canadians are possibly the heaviest taxed people in the world. Ten years ago this country—so far as the Dominion was concerned—had no direct taxation. This year direct taxes will total something like $175,000,000. Ten years ago federal taxes were well under $100,000,000. To-day federal taxes are at the rate of about $1,000,000 a day—over $40,000 an hour.

And on top of federal taxation comes provincial taxes and municipal taxes. Together they total about $100 for every man, woman and child in the Dominion—$500 for the head of a family of five.

Such a condition cannot go on. A nation is like an individual—if it goes on with profligate expenditure in obliviousness to income, the end is bankruptcy and ruin. Already the effects are apparent. They are seen in a cost of living that will not come down. They are seen in ten thousand Canadians fleeing across the border every month and taking their property with them. They are seen in a timid, depressed industry. They are seen in a still more timid capital. They are seen in a public that is becoming restless, challenging, and rebellious.

Why Business Men Should Enter Politics

By EDWARD G. RIGGS,
In Forbes Magazine.

The business men and farmers and other laymen of few countries in the world have ever been so neglectful or so indifferent to their political duties as those in the United States.

Our business men, farmers and others seem to forget that politics in this country is a business, a trade; that the politicians are constantly on the job, day in and day out, studying and perfecting their trade just as our business men are studying their own particular vocations. By a mingling of legitimate business, legitimate politics, legitimate labor, there would be perhaps fewer opportunities for politicians to sneer at business men and for business men to scoff at politicians.

The business men have permitted the political leaders and their affiliated politicians practically to govern for them, and thus to advance all sorts of political and economic doc that redound to the strength of political leaders and political organizations.

How has this come about? Because our men of business, farmers, and others in the category have neglected to attend the primaries of their parties. In most of our states we have primaries for city, state, and national affairs, for the selection of delegates to conventions, or caucuses, or conferences, where the candidates for local and federal offices are nominated and platforms of principles are framed. But all that the business men, farmers and others of our country have done is to step up to the polls on election day and vote for the candidates at these primaries.

It is at these primaries that delegates are elected who nominate all city, state, and federal officers. In these primaries is lodged the power of the politicians to recommend to mayors and governors the appointments of judges for municipal and Supreme Court, and the Court of Appeals, when vacancies occur.

The political power of the two major parties, also of the Socialist party, begins at the primaries. That is the starting point.

The first year of his registration could not, of course, indicate the business man's power in a political organization. Why? The first ballot he receives will name a number of delegates made up by the organization politicians of that election district—Democrats, Republicans, or Socialists—and then submitted to the Bureau of Elections (also professional politicians) accepted by that bureau, and returned to the captains of the election district to be voted on on registration days. Should, however, a sufficient number of business men continue to register and enroll year after year, and thus become members of the political organizations, they could exercise much influence, even downright power, in the selection of delegates.

Studying Effects of The U.S. Farm Tariff

From Our Own Correspondent

REGINA.—An inquiry into conditions prevailing in the prairie provinces of Canada is being made by investigators for the United States tariff commission, and members of the commission are now in the West looking over the field and securing data. The investigation will cover a wide field, and the report of the commission is expected to be of great importance to the Western Canada farmer, as it may determine whether the tariff walls are to go still higher to keep out farm produce from Western Canada, or whether they are high enough at the present time.

Is This Another Ponzi?

Hamilton has a financial wizard whose proposals are a reminder of Ponzi, of Boston, and Sheldon, of Montreal. From a King Street address he sends the following attractive proposition to a selected list of "investors" who are to be let in on something good:

> I am handling a very small syndicate which is raising an amount of about twenty thousand dollars, for the purpose of putting out a large bond issue and if you are in a position to subscribe from one thousand to five thousand dollars, I am prepared to issue to you inside ninety days Debenture Bonds as security for your money, the said bond to pay the following interest:
>
> 7 per cent. on the 1st year,
> 10 per cent. on the 2nd year,
> 12½ per cent. on the 3rd year,
> 15 per cent. on the 4th year,
> 17½ per cent. on the 5th year,
> 20 per cent. on the 6th year, and for the life of the Bond to maturity date 15 years.
>
> To those paying for a portion of the first twenty thousand dollars I am prepared to issue bonds to the amount of fifteen hundred dollars for every one thousand dollars now subscribed, this will mean that you will be receiving for a term of years 10½ per cent., 15 per cent., 18¾ per cent., 22½ per cent., 26¼ per cent., and 30 per cent. thereafter for your investment, and I will guarantee the principal and interest.
>
> If this appeals to you I shall be glad if you will give me an interview to talk this matter over thoroughly.
>
> You will bear in mind that it is hard to obtain long term bonds bearing a high rate of interest but owing to my financial connections I am able to do this for you.

"Bond" is the new bait with which the old hook is being baited. A little consideration will at once reveal that even at best such a proposal could only cover a wild speculation. And so it makes little difference whether the "investor" holds a bond or whether he holds shares; it is the security behind the promise to pay which counts and is lacking in this case.

The proposal actually involves an annual return of over 25 per cent. for 15 years—in all $3.870 interest on the investment of $1,000 and $500 added to the principal. Such returns might be held out for a gold mine speculation or a gamble on a new invention, but to offer such dividends and to "guarantee the principal and interest" is, unfortunately for those who may be drawn into the game, too good to be true.

Bonds, generally speaking, stand relatively high with investors because the promise to pay a moderate rate of interest is usually backed by ample security. This is readily understood in the case of federal, provincial or municipal issues. In the case of industrial bonds, there is usually behind the promise to pay a mortgage on the plant or other fixed assets of the company. In the offer held out in this Hamilton get-rich-quick scheme there is no indication of what security is behind the bond referred to; the guarantee is only a personal one. Such bonds have no more real value than shares. The whole question is one of security backing the promise to pay.

A little space should always be reserved in waste paper baskets for such dazzling literature as this faker is distributing.

Public Utility Investment List

Bonds and preferred stocks of strong companies with established earning power serving growing communities with essential light, power and transportation services.

We own and offer an attractive list of such investments, which we recommend.

Write for list 4

Greenshields & Co
Dealers in Canadian Bond Issues
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street

Save 80%
of your
Mailing Costs
with
"BILLY-DOO"
Ask How
The "5 in 1" Letter-Envelope Co.
Limited
Toronto

Buy Good Bonds

The safety of your principal will thus be assured, and your interest paid promptly and regularly.

We shall be glad to place before you offerings of a wide selection of such bonds issued by Canadian Governments and leading Municipalities. The prices are attractive and the interest rates high. They also have the advantage of being readily saleable if you desire cash.

Write to
36 King Street West,
Toronto, or
telephone Main 4280.

Wood, Gundy & Co.

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
21 JORDAN STREET - TORONTO

City of Toronto
5% Bonds

These bonds are an obligation of the City of Toronto at large, and are backed by its full taxing power.

In addition, their ready marketability is a factor not to be overlooked by the investor who wishes his funds in an accessible position.

We offer these bonds, subject to previous sale, at

PRICE TO YIELD
1931-1935 maturities - 5.25%
1944-1952 maturities - 5.20%

Gairdner, Clarke & Co.

312 Bay Street
Toronto
Telephone Elgin 2301

Dominion Express Bldg.
Montreal
Telephone Main 8323

H F
EST. 1897

Quarterly Review of Financial Conditions

Special New Year's Review

Colored charts show distribution of earnings of eight representative companies during 1920-21-22.

Invaluable to shareholders and prospective investors. *Write or phone for free copy.*

HANSONS AND FERGUSON
Members Montreal Stock Exchange
160 ST. JAMES ST. MONTREAL

JOHNSTON AND WARD
14 King St., East, Toronto

Any of the bonds on our lists may be purchased on our Partial Payment Plan

Ask for our list of offerings

McDougall & Cowans
Members of the Montreal Stock Exchange
130 St. James Street
STOCK BROKERS
HALIFAX ST. JOHN, N. B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

Government, Municipal and Corporation Bonds
Enquiries Solicited
STEWART, SCULLY
COMPANY, LIMITED
McKINNON BUILDING, TORONTO PHONE MAIN 5588

Dickinson and Walbank
(Members Montreal Stock Exchange)
No Account Too Small to Receive Our Careful Attention
152 St. James St. MONTREAL Main 4090
T. KELLY DICKINSON J. Y. K. WALBANK W. McLEA WALBANK

WESTERN LUMBER

The Canadian Western Lumber Company, which also includes the Columbia River Lumber Company, reports sales for the month of October amounting to 6,578,300 feet, for which $191,247 was realized. Sales for the same month in 1922 at 8,246,528 feet realized $216,574. Aggregate sales for the ten months amounting to 106,610,725 feet, realized $3,016,465, and compared with 100,857,363 feet, realizing $2,404,870 for the corresponding period in 1922.

BENSON & HEDGES

Benson & Hedges, Canada, report sales for the month of October at $110,892, as compared with $87,140 for the same month in 1922, an increase of $23,751. Aggregate sales from April 1, to Oct. 31, were $605,871, as against $665,785, a decrease of $59,914.

NEWS AND VIEWS ABOUT BONDS

DEMAND FOR BONDS REMAINS WEAK BUT PRICES ARE FIRM

Expect Less Government Financing will be Necessary in 1924

The reduced activity in the bond market during December has continued throughout the past week, although one or two large institutions were in the market for substantial amounts of odd bonds. Prices have remained firm in spite of dullness. The large investing institutions are engaged in closing their books for the year and taking off their statements. Until this is completed any substantial move to secure new holdings is not expected.

However, it is felt that present prices are sufficient to induce buying when funds are available. The demand from the banks will depend largely on the amount of money not needed in industry. With the insurance companies there are two principal choices—mortgages and bonds. While mortgages offer a higher rate after allowing for the expenses involved, careful selection is necessary and the acceptable applications will not take care of the money for investment. Hence a good demand for bonds should be maintained.

Those who look for higher bond prices during the coming year point to the smaller amount of Dominion financing expected, as the loans maturing total about $118,000,000, including railway guarantees. This compares with the $200,000,000 loan sold at home this year, swelling the total sales for the year to $518,562,757. With a disposition in evidence among municipalities to reject money by-laws, the new issues may be sufficiently reduced to cause some scarcity, if the demand is maintained. In fact, reports indicate a scarcity of municipals in the maritime provinces at present.

After allowing for $20,000,000 of treasury bills, the permanent financing in 1923 was only about $6,500,000 less than in 1922, the record bond issuing year except for the later war and reconstruction years, 1917, 1918 and 1919. While permanent government financing declined from $318,829,000 in 1922 to $281,281,500, in 1923, corporation issues totalled $103,054,320 as compared with $83,428,400 the previous year.

Sell Sandwich Bonds

The town of Sandwich sold an issue of 89,227 of 6 per cent. 15 year instalment bonds to A. E. Ames & Co., at 98.53.

Buy Woodstock Issue

Bird, Harris & Co. purchased $70,000 City of Woodstock 5 per cent. 20 instalment bonds at 96, the money cost 5.49 per cent.

Erin Bonds Sold

An issue of $40,000, 6 per cent., 25-instalment bonds of the town of Erin was purchased by Stewart, McNair, Reid & Co., at 105.47, the money costing the municipality 5.45 per cent. Tenders were as follows:

Stewart, McNair, Reid & Co.	105.47
Bird, Harris & Co.	103.60
Matthews & Co.	102.68
Dyment, Anderson & Co.	100.26
Mackay-Mackay	99.60

Victoria Issue to Care for Sinking Funds

VICTORIA.—Early in the new year an issue of bonds of $400,000 will be offered to cover local improvement sinking fund shortages in regard to bonds which mature January 21. The debentures will bear 5½ per cent. interest for 20 years.

A further refunding loan of about $600,000 will be required next July, and between that issue and the one in January the debentures covering the refunding of the bank overdraft will be sold.

New Bond Firm Opens Offices in Toronto

A new investment house to be known as Saith & Co., is being formed in Toronto to deal exclusively in government and municipal bonds. The new firm will be headed by Turner H. Saith, who is well known in financial circles, having been associated with the Dominion Securities Corporation for some years and latterly with McDonagh, Somers & Co.

3% Up to $4,000 Income and 6% on Remainder

WASHINGTON.—Here are some of the changes from the present tax law as provided in the Treasury draft of the new revenue act recommended to Congress by Secretary Mellon:

Earned income is defined as wages, salaries and professional fees and gets a credit of 25 per cent. of the amount of the tax attributable to the earned income.

The normal tax on the first $4,000 of net income is fixed at 3 per cent., and upon the remainder of the net income at 6 per cent.

The surtax rates begin at 1 per cent. on net income from $10,000 to $12,000. An additional 1 per cent. for each $2,000 of net income up to $36,000, then 1 per cent. additional for the next $4,000 of net income up to $40,000 and then 1 per cent. additional for each $6,000 of net income up to a total of 25 per cent. at $100,000 and over.

The tax on telegrams, telephones, leased wires and radio is repealed.

The tax on admissions to theaters, movies, etc., is repealed.

The principle contained in the 1918 revenue act that liquidated dividends constitutes a sale of the stock instead of a distribution of earnings has been restored. This puts liquidating dividends within the capital gain section of the act and recognizes the real effect of such dividends.

Wealthy People Big Buyers of Bonds; Small Estates More Largely in Insurance

From Our Own Correspondent.

MONTREAL.—The United States publishes figures showing the source of incomes taxed in that country, by wages, dividends, bond interest, etc. Great Britain publishes statistics to show the distribution of the wealth of deceased persons whose estates are admitted to probate. Canada does neither, and we have to look to the other two countries for an idea of the manner in which people of different degrees of wealth and income invest their capital.

The British estate figures for 1921-1922 are now available. Many interesting deductions can be made from them that may be roughly applied to Canadian conditions. For instance, the figures indicate that less wealthy classes have about twenty-eight per cent. of their fortunes in stocks and bonds, while the very wealthy have fifty-four per cent. thus invested.

Small Part In Insurance

The richest classes have a continuously decreasing share of their total wealth in cash, trade assets, insurance policies, household goods, premiums, and personalty. On the other hand, they hold an increasing percentage, as their wealth increases, in stocks and bonds, land, ground rents, and other realty. The only classification that remains fairly even for all classes of wealth is that showing money on bonds, bills, notes, and mortgages. One interesting fact is the small percentage of the greater fortunes represented by insurance policies. If the wealthier classes were more interested in trade, especially that having a rapid turnover, this insurance percentage would probably show an increase, because of the value of policies as collateral for heavy advances of cash while goods are in process.

Burdensome taxes since the war have caused a change in the structure of individual holdings that collectively make up Great Britain's total taxable wealth. The enforced sale of landed estates, about which so much has been said, represents, after all, the exchange of one sort of wealth for another, the landowner now possessing more bonds or cash than before but fewer ancestral acres.

Lightening the Tax Burden

The individual transactions of a thousand kinds may be guided by a great variety of motives. In the long run, however, over a term of five years such as have elapsed since the armistice, it will inevitably be found that the net result of the combined transfer of different kinds of property is a better tax position all around. The incidence of the many kinds of tax is quite different on people of varying degrees of wealth and in different circumstances as to family and occupation. Therefore, every individual, whether rich or not, instinctively adjusts his own holdings in such a way as to make the tax burden least oppressive and to secure the largest net profit for himself. This instinct is the real motive behind the readjustment of British wealth in the last few years.

The statistics are published in the Report of the Commissioners of Inland Revenue, under the caption "Classification of all property." In 1921-22 there were 105,596 such estates listed, showing the distribution of 14 kinds of property among 27 degrees of wealth, from those who owned less than £500 gross up to one individual who left a net estate of more than £3,000,000. This classification gives the amounts in pounds sterling. For purposes of comparison they have been converted to a percentage basis and the different grades of wealth have been arranged to form only six groups of wider range, as follows:

Distribution of Wealth in British Estates, 1922

Classes	Government and municipal securities	Stocks, shares of companies	Cash	Money lent on mortgages, bills	Trade assets	Insurance policies	Household goods	Land	House and business premises	Ground rents, etc.	Total gross value
Below £500 gross	12	5	28	7	3.7	10	10	4.6	16.5	...	£ 12,224,327
£100 net to £5,000	15	13	12.4	8.3	7	5	4.4	4.6	26.3	...	101,548,255
£5,000 to £20,000	19	24	8	9	5.7	4	3.7	5	17	.8	99,482,524
£20,000 to £40,000	20	31.7	6.2	8.6	4.5	2.7	3	5	13.	1	53,584,211
£40,000 to £100,000	19.5	34	5	8	3.7	2.5	2.5	8	11	1	66,142,599
£100,000 to £200,000	20	34	5	7.3	2.3	2.6	2.3	11	9.2	2.8	36,242,792
Ave. of 105,596 estates	18.8	26.3	7.9	7.2	4.3	3.2	3.2	7.9	16	.98	£369,224,708

The percentages do not total 100 as certain minor items have been omitted.

Sales Tax Meant Revenue Increase

OTTAWA.—Customs and excise revenue of the Dominion was $40,000,000 greater in 1923 than in 1922. During the past year total revenues derived from these sources amounted to $301,473,813, as compared with $262,377,468 in the calendar year 1922. The increase, therefore, was $39,096,345.

By far the greatest proportion of the increase was in excise tax collections, chiefly derived from the sales tax.

From excise taxes the Dominion derived a revenue of $126,684,825 during 1923, which was $32,341,607 more than in 1922, when the total collections were $94,343,218. Customs revenue accounted for $5,739,158 of the increase, the total revenue during the past year amounting to $135,860,374, as compared with $130,121,216 in 1922.

The amount of $37,561,227 was derived from excise duties, as compared with $36,767,640 in 1922, or an increase of $793,587. Sundry collections, from which $1,367,385 was received last year, were more than $200,000 greater than in 1922.

Will Offer $3,000,000 Alberta Bonds in January

Approximately $3,000,000 of refunding bonds of the province of Alberta will be sold during this month either in the United States or Canada. According to the announcement made by Hon. R. G. Reid, the treasurer, the issue will be handled by the Wood, Gundy syndicate, which disposed of a $9,000,000 issue for the province in November. It is understood that the bonds will not be offered at public tender.

European Debts to Canada Being Paid Up

LONDON.—Interest to the amount of $225,000 on the Canadian loan to Greece for the second portion of this year is on the way from Athens. This will bring the total interest payment from Greece to Canada for the year up to $450,000, the amount agreed upon between Athens and Ottawa some time ago, when the post-war debt of Greece to the Dominion was consolidated. The debt, approximately, amounts to $8,000,000.

It is expected that by the end of next March Belgium will have wiped out her debt to Canada by the payment of $3,000,000, and that by the end of 1924 France also will have completed payment of her debt to Canada, $5,500,000.

Tax Payments in Sask. Show Marked Increase

According to a report issued by the provincial treasurer of Saskatchewan, the department of municipal affairs had received more than seven hundred thousand dollars in excess of the receipts of 1922, up to Dec. 16, with fifteen tax-paying days to be taken into account before the end of the fiscal year. It is stated that, in no year in the history of the province have the taxes come in in so great a volume, and it is expected that the gross receipts of the department of municipal affairs, it being the tax collecting authority for the province, will not only exceed the collections of 1922, by over a million dollars, but will exceed the best year the province has hitherto had by several hundred thousand dollars.

Trade of the United States with Mexico, aggregated about $250,000,000 in the calendar year 1923, and $2,500,000,000 in the decade with 1923.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's, 1940	94	96
Ashdown Hardware 5's, 1928	94	..
Brompton 8's, 1941	108	110
Burns P., 6½, 1943	96	99
Can. Machinery, 6's, 1940	..	74
Can. Salt 7's, 1941	100	102
Dom. Sewer Pipe 5's, 1927	94½	..
Dunlop Tire 6's, 1927	99	..
Dom. Iron, 5's, 1939	69	72
Eastern Car, 6's, 1952	88	93
Harris Abattoir 6's, 1926	99	101
Howard Smith 7's, 1941	98	100
K. & S. Tire 7's, 1935	78	85
Lake Sup. Paper 6's, 1931	101½	..
Manitoba Power 7's, 1941	98	101
Massey-Harris 8 p.c., 1930	100	102
Mattagami Pulp 7 p.c. deb.	26	28
Mattagami Pulp 6's, 1927	62	..
Morrow Screw 6's, 1931	80	..
Neilson, Wm., 6's, 1933	99	..
Pedlar People 8's, 1930	101	..
Robt. Simpson 5's, 1952	85	..
Spanish River 8's, 1941	106	108
Western Power 5's, 1949	86	88

BOND MOVEMENTS OF THE WEEK

Week Ending December 31

Bonds	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	High	Low
Can. Bread	6	1941	6.10	99	98½	100	96	99	98¼	98⅛	—
Dom. Iron	5	1929	8.10	94	82½	94	84¾	86	82	84¾	—
Montreal Trams.	5	1941	6.05	93½	87½	96¼	88½	89⅛	88½	88½	—
Steel of Can.	6	1940	5.90	100¾	97	102½	99	102	100½	101	100
Wayagamack	6	1951	7.85	88¾	71¾	86¾	75	79½	79¼	79¼	78¾
Winnipeg Elec.	6	1935	6.55	92	88¾	94½	86½	86⅝	—	87½	—
War Loan	5	1925	4.76	96.80	96.10	100.95	99.10	100.55	100.45	100.35	100.25
Do.	5	1931	4.89	99.60	96.25	101.80	99.80	100.85	100.75	100.60	—
Do.	5	1937	4.78	101.50	99.50	103.30	102.00	102.85	102.75	102.65	102.40
Victory Loan	5½	1924	5.19	100.75	99.80	101.65	99.80	100.35	100.30	100.30	100.20
Do.	5½	1927	4.88	102.70	99.70	103.50	101.60	102.45	102.40	102.40	102.15
Do.	5½	1933	4.81	104.25	101.25	106.70	104.15	105.45	105.40	105.50	105.25
Do.	5½	1934	5.21	101.33	98.80	103.90	101.80	102.50	102.40	102.40	102.20
Do.	5½	1937	4.75	106.35	103.00	108.45	106.25	107.75	107.65	107.80	107.65
Do., Renewal	5½	1927	5.15	101.10	99.40	102.80	100.75	—	101.25	101.30	101.15
Do., Renewal	5½	1932	5.23	101.00	99.70	103.16	100.80	102.00	101.90	101.80	101.30
Do., Refund	5	1928	5.18	—	—	99.70	98.80	99.55	99.45	99.35	—
Do., Refund	5	1943	5.08	—	—	99.25	97.90	99.15	99.00	99.10	98.60

Matthews & Co.,
Limited
GOVERNMENT, MUNICIPAL and CORPORATION BONDS
Toronto General Trusts Bldg.
255 Bay St., Toronto, Ont.

Government
Municipal Bonds
Unlisted Stocks
Bonds
Bought—Sold—Quoted
Our Mining Department has a complete Statistical Bureau.
Write us for information.
BALFOUR, WHITE & CO.
LIMITED
Investment Bankers,
136 St. James Street, MONTREAL.

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

FOUNDED HB 1883
Plan Your January Investments Now!
Reinvest your January dividends and interest in our profitable offerings of unquestionable security.
Write for our advice, based on 40 years' experience in handling investment funds.
HANSON BROS.
Investment Securities
160 St. James St. Montreal
65 Sparks St. Ottawa

Canadian Northern Railways
5% INCOME DEBENTURE STOCK
DUE MAY, 1930

Secured by mortgage covering undertakings and railways of this system, which is owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.

It is estimated that these lines will be self-sustaining in a few years, which opens up the possibility of a resumption of interest payments.

These debentures may now be obtained at prices to return an increase in capital of nearly 90% in less than 6½ years and as the return is in the form of capital appreciation, the tremendous profit is NOT SUBJECT TO INCOME TAX.

Write at once for particulars, as an advance in price is imminent.

C.C. SMITH & COMPANY
LIMITED
Investment Bankers
17 St. John St. Montreal
PHONE MAIN 412

Let Collateral Certificates Protect You

The matter of business failures is of grave importance to you; more so, is the means of ensuring freedom from the losses entailed.

Write for booklet, "Lessening Credit Losses."

MERCANTILE BONDS LIMITED
Temple Building
BRANTFORD, ONT.

BRIDGEBURG DEFICIT

In spite of an increase in the tax rate of the town of Bridgeburg from 36 mills in 1922 to 45 mills in the past year, a deficit of $20,817, is reported. Last year it was $17,782.42; the year before it was $9,000; the year before that, the council had a surplus of $1,000.

A Thought for The New Year

IF the dollars for which you have worked during the past twelve months have slipped through your fingers, and you have failed to increase your income by sound investment, it would be well for you to give thought for the future as the New Year begins.

Every man who earns money and is thrifty enough to accumulate it, can increase his income steadily and surely by investing in high-grade Bonds.

You should therefore resolve to invest regularly a part of your savings during the coming year, bearing in mind that the character of the investment house in which you place your confidence is of primary importance.

The National City Company offers you the benefit of many years' experience and the counsel of experts to aid in the selection of Bonds best suited to your requirements and circumstances.

Full particulars of our service, and how it can be of benefit to you, will be found in our illustrated booklet "Bonds and Bankers," a copy of which will be mailed to you on request.

The National City Company
Limited
Montreal — Quebec Ottawa — Toronto
Advisory Board
Sir John Aird
A. J. Brown, K.C.
Sir Charles B. Gordon, G.B.E.
Hon. Sir Lomer Gouin, K.C.M.G., M.P.
Charles R. Hosmer
Wilmot L. Matthews
Lt.-Col. Herbert Molson, C.M.G., M.C.
Fred W. Molson
Sir Augustus Nanton
Edson L. Pease
W. N. Tilley, K.C.
Hon. J. M. Wilson

STOBIE, FORLONG & CO.
MEMBERS TORONTO STOCK EXCHANGE
10-12 King Street East
TORONTO
HAMILTON BRANTFORD KITCHENER OSHAWA
Private wires connecting all offices with Montreal and New York

OSLER, HAMMOND & NANTON
WINNIPEG
Stocks and Bonds
Insurance
Mortgage Loans
Farm Lands

Municipal Bond News Service

Bond dealers or investors who are interested in Bonds of American or Canadian States, Counties, Cities, villages or districts can find no more complete or reliable news service than ours. We have been specializing on this one branch of the investment business for over twenty-eight years. We offer you, at a reasonable yearly subscription rate, a news service recognized as

"The Authority on Municipal Bonds."

Specimen copies of Daily and Weekly Editions will be forwarded, gratis, upon application.

THE BOND BUYER
"The Municipal Bond Man's Bible"
67 Pearl Street New York, N.Y.

MUST HAVE MADE ACTUAL SALE

All goods manufactured since the first of the year are subject to the 6 per cent. new sales tax. Goods made last year, actually sold in 1923, but undelivered, come under the old tax. These goods must be invoiced and the sale completed by proper documents. The shipping of the goods is a matter of arrangement.

CIVIC AND PROVINCIAL FINANCE

ALTA. TREASURER DEFENDS ACTION ON TAX ARREARS

Investors Seek Direct Notification of Action Against Land

Severe criticism of the Alberta government's action in confiscating land for arrears of taxes has brought forth a statement from the provincial treasurer. The statement, which outlines the department's attitude, has evoked a claim that it does not cover the principal grievance.

After alluding to the publicity given the passing of the Tax Recovery Act, in 1922, the statement says in part:

At the session of the legislature of 1922, the bill was presented and after due consideration was passed without change, in any of its special features. At the time of its passage it contained the provision for the advertisement giving a description of the land involved in an issue of the Alberta Gazette published between the month of March and the first day of June. Some newspapers contained a statement that in 1923 amendments were proposed to the Act looking to some form of service to the mortgage companies outside of the advertisement in the Gazette. The fact of the matter is that no such amendment was proposed in 1923, nor was it proposed to be incorporated in the Act as passed in 1922. The amendments of 1923 changed the date when taxes became arrears namely, from the first day of July, of the year subsequent to the year in which the taxes were levied, to the first day of January in the year following the year in which the taxes were levied. This conforms to the definition of arrears of taxes in all the Acts of the Province, but the amendments also cut out at any period allowed for the removal of the caveat or of the redemption of the land, any necessity to pay current taxes. A statement has also been made that the only defence of the government's action has been that it has been too costly sending out registered notices to all parties interested. The fact is that the parties mostly interested in receiving notices objected most strenuously to the registered letter notices as being insufficient and uncertain, and the experience of the Department of Municipal Affairs, in connection with the small investor showed that in by far the majority of cases the registered letters were returned "uncalled for or undelivered." The only source of information obtainable by the province concerning encumbrances is that found on the register of the Land Titles Office, and in all cases the mere post office address (and indeed in some cases no post office address) of the encumbrance is given.

The publication of the lists in the Gazette, as arranged for, was not of a haphazard kind, but all the parcels of farm land were arranged under the number and name of the municipal district, and in the case of improvement districts under the number of said district. There were advertised by the secretary-treasurer of the municipal districts 28,510 parcels, and by the Department of Municipal Affairs, 13,869 parcels, representing a total of 6,661,608 acres. At this date, December 17th, advice has been received from the municipal districts showing that very few of the many parcels of land placed under caveat still remain under the same, and the statement is made by the secretaries that as soon as those who are yet delinquent can realize on their crop, the parcels of land unredeemed will be of the character of abandoned land, with no one caring to look after the interest thereof. The lands placed under caveat by the Department of Municipal Affairs, have been redeemed to such an extent that there remains at this date out of the sum total fewer than two thousand parcels of land, and in many cases arrangement is being made for a reasonable extension to permit the parties to dispose of crops or other marketable holdings with a view to the removal of the caveat.

The statement that vast quantities of lands were being confiscated, for taxes, in the province of Alberta, therefore falls to the ground.

The collection of arrears of taxes by the different municipalities of the province surpasses that of any year in the history of the province. This has been an exceedingly grave problem to the municipalities and to the province, but the results accruing through the Tax Recovery Act of 1922, in the year 1923, have justified the expectations of those who have been responsible for the presence of the Act on the Statute Books, and for its administration.

This statement is characterized by some investors as misleading. One authority states:

"The collection of arrears of taxes regularly has been urged by investors and particularly by investment institutions, but they also urged that before taking such drastic action as to forfeit the land for non-payment of taxes the interested parties should be adequately notified. Formerly the mortgagee, for instance, was notified by registered letter and in some provinces by personal service. There should be no difficulty in arranging some method by which an investment company can register with the government the name of the party to whom personal service can be given within the province, or the investor or investment company could record with the government or the registrar the address to which registered mail could be forwarded. Precautions such as this have not been taken. The investment company usually has its office in the province and will watch carefully the accumulation of arrears of taxes, but not so the investor resident in Europe, the United States or Eastern Canada."

Contrary to the provincial treasurer's assertions that the special features of the act were not opposed, the representatives of the mortgagees emphatically protested against dropping the personal notification at a conference with members of the Alberta government, held on October 27, 1922.

It is pointed out that this matter of enforcing arrears of taxes in Alberta is not altogether a question of "notice." Taxes for some years were allowed to accumulate, and in the meantime the government has imposed all kinds of priorities, such as that for hospitals, that for giving preference to the debt due to the cooperative societies, for seed grain advances made by municipalities and the government, and other forms. Usually the easiest method for meeting this demand for money was by going to the banks and getting the government to guarantee the amount due to them. Naturally, these amounts rose to very large proportions. To reduce them the Alberta government by legislation intimated to those interested that unless they pay all taxes and prior charges to secure the land they would forfeit it. This confiscatory aspect of the question is naturally driving from the province the capital it needs.

Meanwhile, many mortgagees sensed the danger of their position, and attempted to foreclose. As no bids could be secured for the land, they were forced to bid on it—but could only secure it at a valuation, often ridiculously high. In other words, forclosure was largely on the mortgagee's terms, not those of the mortgage itself. Recently this attitude has been changed, and the mortgagees' offers allowed, but in the meantime the arrears of taxes and other claims have grown, and the mortgagee, to save his security, must pay all tax arrears, whether just or unjust. In the first place, present mortgagees feel the legislation reacts unfairly on them. In the next place, Alberta will need more capital in the future. No doubt investors will be glad to supply this, but only if they feel that the covenant rights of the mortgage contract will be maintained.

FOR EFFICIENCY IN CIVIC EMPLOYMENT

Arguments of Bureau of Municipal Research for Business-like Administration

The need for scientific study of the civic personnel in order to insure that meritorious work gets an adequate reward, that indifferent work is discouraged, that appointments and promotions are based on merit, and that the total salary and wage bill is the result of careful analysis and study, is urged by the Bureau of Municipal Research in a "White paper" issued over the signatures of President John Macdonald and Managing Director Horace L. Brittain. The arguments presented include:

It is even more important that the citizen should get full value in service from his public employees than from his private employees. In the latter case he can transfer his patronage, in the former he can not.

Now every public employee may work like a nailer, and still his citizen employer not get full value. For example, the work may not be properly coordinated; the employees may not be working at the things for which they are best fitted, the work may be unnecessary or not so necessary as some other work. On the other hand, some employees may have to do two men's work because some employees are doing less than one man's work. Employees in some departments may be working overtime while employees doing similar work in others find work slack. Some may be watching their work while others are watching the clock. Some may have their eye on service while others have it on their pay cheques. Men may be doing work of equal value and getting unequal pay. Men may be getting equal pay and doing work of very unequal value. Some may work faithfully for years and rarely get promotion. Some may get promotion in short time. Some may be promoted because they are friends of their work and others because they work their friends. Some may be appointed on account of their expertness at their work and others on account of their expertness in getting appointed.

And again there may be nothing whatever wrong with the management of the civic personnel and the results obtained. Everyone may be appointed and promoted on merit. Everyone may be giving a full day's work for a day's pay and everyone may be given a full day's pay for a day's work. Everyone's services may be used to the best advantage. If so, a survey would produce the proof in short order. It would be worth whatever it might cost just to remove the impression that the community is not getting the best results for the twenty-two and a half odd millions it spends annually in salaries and wages. This impression is not based on a disbelief in the efficiency of the employees. In fact, the feeling that the city would be in a much less enviable position if it were not for the loyal, quiet and faithful services of permanent employees is very widespread. The impression is due rather to a feeling that there is lack of necessary and possible co-ordination and that, therefore, there must be a failure to get the best results with the excellent human material available.

TAXABLE AT RESIDENCE

Court at Ottawa Renders Important Income Decision in Senator's Case.

OTTAWA. — Municipal income taxes are assessable only at the place of residence. Thus Senators and parliamentarians living temporarily at the capital escape paying Ottawa city an income tax. Judge Colin O'Brien made this ruling in the case of Senator and Mrs. A. C. Hardy. The city assessed the Senator on $25,000 income and Mrs. Hardy on $100,000, involving in all $35,000 taxes.

HAS NORTH SAVED OLD ONTARIO FROM DIRECT TAXATION?

Northern Editor Contends—Changed Province's Name "Banner" to "Golden"

That income derived from timber sales and mineral taxes in Northern Ontario saved old Ontario from direct taxation, is the contention set up by Editor Stephenson, of New Liskeard Speaker. He recalls that many years ago when he was an old Ontarioan he often heard platform orators tell how the government was guarding the people against having to pay a provincial tax. He adds they were, but at the expense of the Northland. The cash received from the millionaire at the annual sales of pine timber provided the funds the province carried on with. He adds:

"The fact is quite apparent that the cities, towns and manufacturers of Southern Ontario have been so busy making money that they have not taken time to stop and consider where their big customers are. Northern Ontario has done more for Toronto than all the rest of Canada combined. During the nine months ending November 30, 1923, the Temiskaming mines produced, according to the Porcupine Advance—a good authority — a total of 705,183 ounces of gold, valued at $14,577,315. Then we have our silver mines going stronger than for several years. And on all this money derived from sales of gold, silver and nickel, Ontario places a very substantial tax, to save the people of Old Ontario from having to pay a Provincial Tax.

"There was a time when Ontario was called the 'Banner Province,' and when it was recognized as the greatest agricultural province. In England, the people now call Ontario 'The Golden Province.' Temiskaming did that."

Calls on Countries to Check Their Expenditures

Relief from present high taxation in the counties of Ontario is now being demanded. Speaking recently at Hamilton, Thomas J. Mahony, M.P.P., South Wentworth, pointed out that the present tax burden was approximately $80 per capita, or $400 for every family of five, and declared that the time had come when counties should make a distinction between what they would like to have and what they actually needed. Mr. Mahony, who is an ex-warden of Wentworth, said that as he viewed the situation counties in Ontario were suffering from what is almost direct taxation opposed by the provincial government.

SUDBURY ISSUES STATEMENT

According to the statement issued recently the total liabilities of the town of Sudbury on Dec. 15 were $1,989,096, including those of the Housing Commission and current obligations.

During the year the tax rates were, for public school supporters 46.60 mills, and for separate school supporters, 59.70 mills.

SINGLE TAX DEFEATED

Toronto's single tax bylaw was defeated decisively by a vote of 37,000 to 6,300. The measure was opposed by all municipal officials and departments and all business organizations in the city.

After a brief session the Court of Revision, at Windsor, upheld the contention that citizens of the United States residing in Detroit and employed in Windsor are liable for income assessment.

Tenders and By-Laws

TENDERS WANTED

Jan. 10, Ottawa.—$1,816,561, 5½%, 10, 15, 20 and 30-yr. instalment debentures. Chairman, Board of Control.

Jan. 7, La Reine, Que.—$2,500, 6%, 20-yr. debs. Frank Foley, Sec.-Treas.

Jan. 7, United Townships of La Reine & Desmeloizes, Que.—$6,000, 6%, 20-yr., debs. Frank Foley, Sec. Treas.

Jan. 12, Cumberland Municipality.—$8,796, 6%, 15-yr. W. W. Dunning, Clerk.

Jan. 10, Campbellton, N.B.—$70,000, 5½%, 35-yr. bonds. John T. Reid, Town Clerk. (See announcement on page 16.)

Jan. 22, County of Renfrew.—$100,000, 5½%, 20-yr. debentures. R. J. Raney, County Clerk, Pembroke. (See announcement on page 16).

Jan. 14, Aurora.—$106,000, 5½%, 30-instal., high school debentures. C. A. Petch, Clerk. (See announcement on page 16.)

BY-LAWS TO BE VOTED ON

Jan. 5, Fort William.—$373,000 for various purposes.

Jan. 7, Collingwood.—$3,300 for memorial park.

Jan. 7, Sandwich.—$85,573, 6%, 20-ins., hydro debentures.

Jan. 7, Brampton.—$5,000 for completion of memorial hospital.

Jan. 7, Orillia.—$50,000 loan to Canada Wood Specialty Co.

Feb., Winnipeg.—$750,000 for exhibition.

Jan. 7, Woodstock.—$5,000 for soldiers memorial; $20,000 to guarantee bonds of the Bickle Engine Co.

Jan. 7, Essex.—$22,500 for extension to power system.

BY-LAWS PASSED OR DEFEATED

Vancouver.—$320,000 for local improvements, passed by the ratepayers on Dec. 12; $90,000 for bath-house and city hall annex defeated.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Dec.	—Woodstock, Ont.	Bird, Harris & Co., Toronto	5%	20-ins.	$70,000	96	5.49
Dec. 12	—Erin, Ont.	Stewart, McNair, Reid & Co., Toronto	6%	25-ins.	40,000	105.47	5.45
Dec.	—Sandwich	A. E. Ames & Co., Toronto	6%	15-ins.	69,227	98.56	..
		Corporation					
Dec. 20	—Barrington Street Realties	Royal Securities Corp., Montreal	7%	15-yr.	$160,000		

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

Offerings of Victory Bonds of 1933 or 1937 are especially invited.

RENE-T.LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
33

Canadian Northern Railways
5% INCOME DEBENTURE STOCK
Due May, 1930.

Secured by mortgage covering undertakings and railways of this system, which is owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.

These debentures may now be obtained at prices to return an increase in capital of nearly 90% in less than 6½ years.

Price and complete information will be mailed upon request.

HOUSSER WOOD & CO.
LIMITED
INVESTMENT BANKERS
ROYAL BANK BLDG-TORONTO

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE [illegible] - TORONTO

BURNETT PORTEOUS & COMPANY
Members
Montreal Stock Exchange
17 St. John St.
MONTREAL

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3871

MARITIME SECURITIES
Bought, Sold, Quoted.
Thomas, Armstrong, & Bell
LIMITED
1-3-5 Market Square. St. John, N.B.

FOR BOND QUOTATIONS SEND TO
Toronto Bond Exchange
LIMITED
DOMINION BANK BUILDING
KING & YONGE ST., TORONTO

The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

STRICTLY A POLICYHOLDERS' COMPANY
Organized 1869. Opened for Business 1870.

Our Company was established on a purely mutual basis with the sole aim of securing for its members sound life insurance at a minimum cost. There are no stockholders. Profits are allotted to policyholders annually. All approved features are incorporated in our policies, including disability benefit and double indemnity in case of accidental death. The Company has a remarkable record of steady expansion in business, increasing payments to policyholders and growing assets, which last item includes a magnificent surplus—all of which is credited to the members of the Company. After testing other methods of profit-distribution, the management has decided to adhere to the annual dividend system. A very substantial increase in dividends has been decided upon for 1924.

The Mutual Life Assurance Company of Canada
Waterloo :: Ontario

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$80,000,000.00
Policies Issued from $500 to $5,000

G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

About 250,000 Members

in Canada and the United States enjoy fraternal and every form of insurance protection in the Maccabees, operated on adequate rate basis. Attractive options. Policies, benefits and rates are fully explained in our free literature.

Write for it today to The Maccabees, Confederation Life Bldg., Toronto.

Insurance in Force: over $200,000,000

Join the Maccabees
Fraternity & Protection

Benefits Paid over $140,000,000

3

Shrewd Financiers

recognize the value of Life Insurance as a protection for their Investments and Business Interests.

The
DOMINION LIFE
Assurance Company

a well-established, strong, progressive Canadian Company issues policies to meet every need.

Head Office
WATERLOO, ONTARIO

Safeguard your family's future with an Imperial Home Protection Policy
Consult—

The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

NORTHERN LIFE SUPERINTENDENT

The Northern Life Assurance Co. has appointed L. M. Bidwell, of London, Ont., to the position of superintendent of agencies.

Mr. Bidwell has had a number of years' experience in the life insurance business, having been with the Mutual Life of Canada, at Saskatoon, for a number of years. During the past year Mr. Bidwell has been manager in London for another company.

MOTOR TRUCK LINES AND BUSES MUST BE ADEQUATELY INSURED

Michigan Supreme Court holds that the State Utilities Commission has power to issue permits to motor bus and truck lines in line with the provisions of the Public Vehicle Act enacted at the last session of the Legislature, with provisions for adequate liability and property damage insurance for the protection of passengers and property.

TO DO TORNADO INSURANCE

A license has been issued to the Guardian Assurance Co., to take tornado insurance in addition to the classes for which it is already licensed.

NATIONAL FRATERNAL SOCIETY

A license has been issued to the National Fraternal Society of the Deaf, authorizing it to transact as a Fraternal Society the business of life insurance, sickness insurance and disability insurance to the extent authorized by its act of incorporation, constitution and laws.

Geo. W. Reeves, Toronto, has been appointed chief agent of the society in Canada.

COMPULSORY AUTO INSURANCE

State of Maryland has a bill prepared making insurance of automobiles compulsory. It provides that the owner of a car must get liability insurance in a stock company, a mutual or the State Accident Fund as a prerequisite to securing a license.

NORTHERN LIFE PROMOTIONS

C. R. Bissell, actuary of Northern Life has been appointed assistant-manager and actuary. R. C. Balfour, cashier becomes secretary.

INSURANCE FOR BUYER AND SELLER

DOES SURETY BOND IMPLY EMPLOYEE'S RECORD OF HONESTY

Local Manager Maintains That Some Companies Avoid Investigation

When an employer applies to a surety company for a bond on a person he proposes to employ, there are two things he should expect to gain. First, if the bond is issued, he should be able to assume that the proposed employee has a good record and can be trusted. Secondly, should he fail to live up to the expectations based on available information, the surety company will reimburse the holder of the bond for the loss occasioned up to the limit specified in the bond. This was the original intention in issuing surety bonds, but close observers reveal a wide departure from it to-day.

Recent articles in the New York Journal of Commerce have outlined the changed conditions in the United States. These have provoked a letter from George Weir, manager for Canada of the London Guarantee & Accident Company, maintaining that identical conditions exist in Canada. He says in part:

Competition in recent years has to a great extent so altered the fundamental principles of suretyship, and a line of business very indifferently understood by many of our prominent brokers and agents as well as insurance executives has been so completely changed that to-day suretyship means in many instances nothing more than straight insurance. Obviously, suretyship is not insurance in the ordinary sense of the word, but is a three-party contract as against the two-party contract of straight fire, life or accident hazard. Surely the principles upon which surety business has been built are essentially research and investigation into the records as regards fidelity of the individuals being bonded and in respect of financial or solvency guarantees investigation and research into the financial and moral standing of the applicants.

It is a common experience in Canada to find surety companies willing to assume the risk of loss to an employer on the part of defaulting employees without any other information than the appointments to be covered. All this, too, at a rate determined by the surety procedure, which obviously in the very nature of things is more a charge or service fee than a rate arrived at on the basis of hazard assumed.

Business men are the first to appreciate the service represented by companies emphasizing the fact of investigation into the records of their employees. The necessity for an educative campaign on the part of surety companies will not help toward a proper realization of what is meant by the term, but will be beneficial to employers of labor and to the surety companies themselves. No service whatever is rendered to the public in the matter of straight insurance against loss by defaulting employees, for the reason that no assurance is given that these employees are thoroughly honest, efficient and trustworthy men.

While it seems almost impossible in the stress of modern competition to effectively check the tendency to depart from the fundamental principles, a helpful suggestion with a view to a possible solution would be to submit the alternative viewpoints to employers of labor, viz., whether their businesses would profit by straight insurance against loss to their business by defaulting employes or the assurance involved in a surety company's bond which would not issue until each and every individual employe was thoroughly investigated. I am satisfied that no business man to-day would for a moment consider that, however much money he may recover from an insurance company through defaulting employes, he could be possibly justified in claiming that he was conducting his business in an efficacious way if by some other process he could be assured that no loss whatever would result or that any loss which might result would be purely nominal. No firm or individual in business ever profits from the mere recovery of such losses, as these do not begin to take care of the loss of prestige, bad advertising and public criticism which inevitably result from a too frequent default in the office of the firm or individual in question. There is something wrong with such an organization, and the public are the first to seize upon the fact, and the business of such firm or individual inevitably suffers.

If, on the other hand, an individual or firm has the assurance of a surety company thoroughly skilled and expert in the investigation and research into the history and record of employes, and to back up its judgment will issue a bond at a fee which is, after all, a service fee, such firm or individual has the satisfaction of knowing that so far as it is humanly possible the personnel of the staff so investigated is of the highest possible type. After all, surety companies are simply bureaus of research, and they fail lamentably, in my opinion, if they depart from the principles of thorough investigation and because of competition issue straight insurance, especially at rates which were never determined upon a straight insurance basis.

Mutual Companies Losses are Heavy

From Our Own Correspondent.

REGINA.—Losses of the mutual fire insurance companies licensed in Saskatchewan have been very heavy during 1923. In fact the loss ratios of the past two years have been most unfavorable, according to A. E. Fisher, Saskatchewan superintendent of insurance. Most of these companies operate in rural municipalities and among farmers. A survey of rural losses shows that overheated stoves and defective stove pipes and chimneys are causing the major portion of the losses, and thus adding to the cost of insurance. Complaints ar continually being made as to rura costs.

Heavy Lapses Present Problem for Companies

The life insurance lapse and surrender ratio in Canada has given rise to some alarm among insurance men. In 1920, with nearly $642,000,000 issued and paid for, surrenders and lapses amounted to $172,000,000. In 1921, with gross issued of $528,000,000, lapses increased to nearly $242,000,000. This continued into 1922 during which year gross issued and paid for amounted to $521,000,000, and surrenders and lapses increased to a total of nearly $298,000,000.

Companies report that the lapses have continued lamentably heavy this year. This is not so easily accounted for in the face of the higher sales of new business. To cut down this great loss is admittedly difficult, but it is one that will require strong action on the part of companies, if present tendencies continue.

INSURANCE DISPUTE POINTS IMPORTANT

Toronto Canoe Club Takes Action Against Number of Companies

Northern Assurance, of London, Liverpool, London and Globe and Queensland Insurance of Australia, are defendants in a $15,000 insurance claim, and London & Lancashire, $17,617, and Hand-in-Hand, $2,516, made by the Parkdale Canoe Club, Toronto. It is a result of a fire in the club, Apr. 25 of last year, causing a loss of $134,260. The defendants say the policies were never delivered and never became effective as a contract: the club concealed circumstances known to it; that four days before the date of the policies there had been a fire on the premises which was suspected to have been of incendiary origin; that following that occurrence the London & Lancashire and the Hand-in-Hand companies notified the club that they would cancel their policies for $17,500 and $2,500 respectively; and that other insurers, namely, the Mercantile, would refuse to issue a policy. The defence further asserts that it was represented that some companies had written over $15,000 on the risk, whereas the only company writing $15,000, the London & Lancashire, was withdrawing from the risk. The defendants also deny that any premium was ever paid.

The club denies having concealed anything, and that the small fire of April 20th had been discussed with the insurance broker; at the time it had no notice that other companies were withdrawing. Neither the London & Lancashire nor the Hand-in-Hand were proceeding to cancel their policies so far as the club had knowledge. No one with the authority of the club had made the representation that any company had written over $15,000. The premium is said to have been paid to Irish & Maulson, $100 in each case, on May 1st.

London & Lancashire and the Hand-in-Hand allege that shortly before the loss sued on they notified the brokers that they wished to withdraw from the risk and that they were replaced by other companies and so notified.

ACTUARY FOR MANUFACTURERS

The Manufacturers' Life Insurance Co. announces the appointment of J. H. Lithgow to the position of actuary.

Mr. Lithgow was educated at Trinity College School, Port Hope, and joined the staff of the Manufacturers' Life in July, 1908. Since 1919 he has held the position of assistant actuary. He became an associate of the Institute of Actuaries of Great Britain in 1913, and just recently was made a fellow of the Actuarial Society of America.

USE INSURANCE TO PAY OFF MORTGAGE UNDER NEW POLICY

English Company Secures Loan Payments Through Endowment Plan

The "house purchase contract" issued by the Wesleyan and General Assurance Society in England definitely links up life insurance with payment for a home and contains loaning provisions much more liberal than any attempted in Canada. The society will lend up to 80 per cent. of the value of the house it is desired to purchase, the contract for the ultimate discharge of the sum advanced being in the form of an endowment contract for a period of 15, 20, 25 or 30 years. The society, upon the completion of the contract, will convey the property to the representative of the assured free of expense, and the scheme affords many other attractive features.

The maximum term of policy is 30 years. The valuation on the property is made by the insurance company's valuator, the buyer paying the cost at a flat rate of £3. 3s., and legal charges of £5. 5s. The rate of interest charged is 6 per cent. and the policy may be issued on the participating plan.

Should the assured so desire he may repay the sum advanced by small instalments, and in the event of his death, the balance of the advance only would be deducted from the policy moneys and the remainder handed to the representatives together with the title deeds of the property. If the assured should survive the term of the policy he would receive the balance of the policy moneys and the title deeds of the property free from any expense.

If nothing were paid off on the loan except the insurance premiums, the face value of the policy at maturity would automatically pay it off.

In Canada the association of mortgage loans with life insurance has been a frequent occurrence but no definite contract similar to the one outlined above, has been issued by any company. Companies are often approached by those seeking loans, with an offer to purchase an equal amount of life insurance. The action of the companies has varied under these circumstances. Some have accepted many suggestions of this sort and continue to do so, always guarding against over-loaning. Others have tried the plan and later discontinued it, finding that difficulties arose due to the heavy charges which the insured must bear. Still others have avoided considering loans of this sort feeling that their judgment of the security would be biased, especially where the agent, anxious to secure the insurance, presses for acceptance. In any case the amount of real estate loans made by the companies, is limited to 60 per cent. of the appraised value of the real estate, and prudence has dictated that this limit be further reduced to 50 per cent.

Zenith Co. Head is Arrested in St. Paul

Samuel D. Works, of St. Paul, former Insurance Commissioner of Minnesota is charged in St. Paul with violation of the State blue sky law. His arrest was the result of an investigation by the State Securities Commission, involving the alleged sale of stock of the Zenith Companies, Inc., a holding corporation for insurance companies, organized under the law of South Dakota, in November, 1916, by Mr. Works, and of which he is president. The concern went into the hands of receivers some months ago.

Foundation May be Regarded as Salvage in Adjusting Fire Claim

As emphasized in THE FINANCIAL POST last week, an important factor in the adjustment of fire insurance claims, especially where co-insurance? clauses exist, is a correct appraisal of the property. Some problems in valuation were considered by W. F. Worcester, of the Bow Appraisal Co., before the Illinois Manufacturers' Association. He said:

An executive who has not an appraisal of his property may possibly be somewhat confused as to the value of buildings and equipment. He carries the cost on his books; he has depreciated so much off each year. He knows in his own mind that property would cost a good deal more to erect to-day than original cost. He knows that every item of equipment in that building will cost more to-day to buy. On the other hand, he has depreciated so much off each year, still further lowering his value down from his cost.

Men hesitate themselves to write up their values. Therefore, they go to various sources for valuation. Some go to a contractor in the city and get him to look over the building and give them a valuation on it. I have talked with quite a number of contractors, and the average man in that business looks upon such a request as more in the light of an imposition. He does not like to do that work. It is out of his line; he will put it off as long as he can, and then when he goes at it, he gives only as much time as he can spare to it, figures it up, cubes the building, makes an estimate the best he can. Contractors have told me that they wished people would not ask them to do that class of work.

An appraisal provides a proper basis for the placing and distribution of insurance. Foundations, excavations and underground sewerage may be omitted from coverage if their value is known and if arrangements are made with the insurance agent to so specify on the rider form. If the wording does not specifically state that the foundations are excluded, regardless of any verbal understanding to the contrary, they are included. It has to be stated specifically that the insurance excludes foundations, or else they are covered, and in the event of a fire you might find that they will be regarded as salvage. They could not burn, and usually, depending on the character of the risk, they are considered as possible exclusions. An appraisal will separate the insurable part from the value of the underground features.

Accurate Divisions

The question is often asked, "What is a building?" Is the elevator part of the building? Is the office partition part of the building, or is it equipment? Is this item or that item part of the building? Those are questions very important where you place a specific insurance on the building, and on the contents, it ought to be conclusively certain just exactly what the building is, and the valuation that particular insurance is covering.

Appraisers go over property and describe every item therein. These field notes are sent to the appraisal main office where they are priced from accurate and provable data. The appraisal is put up in proper form and certified, and you then have documentary evidence as to the exact value of that property.

Depreciation

Appraisal companies have a standard method for figuring depreciation. Condition is of more comparative importance than age. The fact that a building is ten years old cuts very little figure in the actual depreciation. A well constructed building does not depreciate as rapidly as a poorly or cheaply constructed building. In the case of a building where the roof is repaired, for instance, deterioration is offset by maintenance. A building where repairs are not being made naturally depreciates more rapidly, and yet (on the percentage per year basis), no credit is given in the calculation. It is quite general in the appraisal of property today to find that a concern is greatly undervalued on their books. That condition is to be expected with present reproductive prices; but the client asks, "What shall we do with this difference?"

We will consider a building and equipment appraised at $100,000 and it is carried on the books at $75,000, using round numbers. What will become of the $25,000 on the books? Practically all auditing companies now recognize what is known as the "Depreciation Reserve," which sets up a sinking fund, a separate account on your books.

Appraisal value could be written under plant account and not decreased each year. The difference between it and your old figures will open up a "contingent reserve" account on your books. Then, next year, if you decide to allow 10 per cent. depreciation, or 5 per cent., as the case may be, don't deduct the depreciation. Instead, credit a proper amount to "Depreciation Reserve," leaving the plant valuation where it was, until such time as you can straighten out again with an appraisal.

FREDERICK M. MOFFAT
Trustee in Bankruptcy
LIQUIDATIONS
COLLECTIONS

OSCAR HUDSON & COMPANY
Toronto London Hamilton Montreal
St. John, N.B. Winnipeg Vancouver

When selecting a Trust Company as an Executor choose one whose fixed policy is to give

Financial Assistance
to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,240,000

The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

USE TIGER LEAK PROOF WOVEN CORD TIRES
Guaranteed for one year. Prices and particulars forwarded to you by request.
Tiger Tire & Rubber Co. Ltd.
42-44 Adelaide St. W., Toronto.

When Remitting
BUY
CANADIAN NATIONAL EXPRESS MONEY ORDERS

Butler-MacCulloch
Limited
Insurance General Agents, Fire, Hail, Automobile, Miscellaneous.
409 Hammond Bldg.,
MOOSE JAW SASK.

DOMINION EXPRESS MONEY ORDER
C.P.R. STATIONS
DOMINION EXPRESS AGENCIES

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
38 King St. W., Toronto, Can.

IL ORDER FIRMS

Mail Order firms should be interested in some splendid addressing equipment we have for disposal. This equipment is the same as used by the leading publishing houses.

Box No. 8, Financial Post.

Canadian Bank Note Company, Limited

Engravers and Printers

Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents

Head Office and Works
224 Wellington Street, OTTAWA

BRANCHES:
Montreal Toronto

Prevent that Puncture!

Over a million and a half in use

LEE
PUNCTURE-PROOF
PNEUMATIC
TIRES

Sales Room
Yonge St. Ran. 6961

A specially trained staff for management of syndicates and companies

Write for information

THE
STERLING
TRUSTS
CORPORATION
EAST KING ST. TORONTO

GOVERNMENT DILEMMA

(Grain Growers' Guide)

government cannot carry on very considerable measure of from the Progressive group in Mr. King can now see the his ways. The two ablest mem- cabinet are Mr. Fielding and Gouin, both reactionaries. Mr. was not only the foremost in he has been the actual boss binet. Sir Lomer is not prom- the House but powerful in the One of his colleagues says mind works as smoothly as a and almost as noiselessly. quire something more efficient Rolls-Royce movement to save government while pursuing its reactionary policy. Support Progressive ranks is absolutely the life of the King gov- unless the government is pre- the dictatorship of Mr. which seems hardly likely. Mr. his government could have support of the Progressives last two sessions of parlia- undoubtedly can secure a sure of support from the Pro- at the next session. But it a genuine effort to trans- legislation the platform upon government was elected. The policy is clear cut. The es stand for principles, the of which will be for the wel- e entire country. Where the es stood two years ago on ciples they stand to-day. If and his party are prepared upon these same principles, in a very large measure the to which they pledged them- prior to the election, they btedly merit Progressive sup- path of safety for the gov- is mapped out in the Pro- latform.

ING THINGS STRAIGHT

woman received from the book. Her husband an item described as

nature of it.

you must know," re- lady, "there always amount for which I 'G. O. K.' stands for "—Forbes.

BANK OF TORONTO SHOWED INCREASE IN NET EARNINGS

A Good Showing Under Conditions Which Have Prevailed

POSITION IMPROVED

Investment in Government Securities Increases Proportion of Immediately Available Assets—Deposits Higher

An increase in profits under the conditions which have prevailed during the past year, as shown in the annual report for the Bank of Toronto for the period ending Nov. 30, will no doubt be noted with satisfaction by the shareholders. The net figures were $984,669, compared with $878,762 in the previous year, and the distribution was made in the following manner:

Income Account, Year Ended November

	1922-23	1921-22	1920-21
Bal. for.	$1,061,241	$1,037,479	$ 986,354
Profits	984,669	878,762	926,125
	$2,045,911	$1,916,241	$1,912,479
Dividends	600,000	600,000	600,000
Pension	25,000	25,000	25,000
Taxes	100,000	80,000	100,000
Premises	150,000	150,000	150,000
Balance	$1,170,911	$1,061,241	$1,037,479

The bank's strong position is indicated by the fact that there is a balance of profits of $1,170,911 in addition to a reserve of $6,000,000, compared with the paid-up capital of $5,000,000.

During the year the bank's position as regards immediately available liquid assets was improved by an increase of about $3,000,000 in loans on government securities. Total assets were increased by $5,625,000. Both savings and demand deposits showed an increase. Current loans were slightly reduced and there was a material cut in call loans in Canada. Following are comparative figures from the balance sheet:

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1923 $	1922 $	Change
Specie	1,000,124	995,067+	5,057
Dom. Notes	7,500,828	7,539,290—	38,462
Note cir. dep.	278,464	270,354+	8,110
Notes, bk.	470,195	563,630—	93,435
Bank bal. ab'd.	913,575	88,658+	24,917
For. currency	57,766	——+	57,766
Gov. secs.	15,627,516	12,651,837+	2,975,679
Cheques	7,037,538	5,715,363+	1,322,175
Gold res.	2,650,000	2,500,000+	150,000
	35,536,006	31,124,199+	4,411,807
% total assets	35.53	32.97+	2.56
% total liab. to public	40.52	37.86+	2.66
OTHER ASSETS			
Pub. sec.	3,870,529	1,715,984+	2,154,545
Other secs.	1,211,909	306,149+	905,960
Call loans	6,478,696	7,606,201—	1,127,505
Current	48,433,787	49,311,917—	878,130
Non.-curr. loans	249,799	——+	249,799
Over. debts	——	238,458—	238,458
Lets. of cred.	775,759	678,407+	97,352
Premises	3,430,811	3,474,927—	44,116
Mortgages	94,170	——+	94,170
	64,545,460	63,332,043+	1,213,417
Total assets	100,081,466	94,456,242+	5,625,224
LIABILITIES TO PUBLIC			
Circulation	7,377,853	6,895,173+	482,680
Dem. dep.	18,049,718	17,118,815+	930,903
Savings	56,825,317	56,559,942+	265,375
Due banks	2,190,887	461,994+	1,728,893
Due else	2,539,796	529,536+	2,010,260
Acceptances	——	678,407—	678,407
Lets. of cred.	775,758	——+	776,758
	87,759,329	82,243,867+	5,516,462
TO SHAREHOLDERS			
Capital	5,000,000	5,000,000	——
Reserve	6,000,000	6,000,000	——
Dividends	151,226	151,133+	93
Balance	1,170,911	1,061,242+	100,669
	12,322,137	12,212,375+	109,762
Total liab.	100,081,466	94,456,242+	5,625,224

BIG MOVEMENT WESTERN CROP MEANS MILLIONS

(Continued from page 1)

chants but for the farmers also, in the matter of the more perishable farm products, it has had compensating advantages in the opportunity of moving grain to market more cheaply than it can be done in extremely cold weather, in getting threshing well cleaned up and in the preparation of large areas of land for next season.

The West may be said to be in excellent shape for seeding next spring.

The Question of Prices

While the exceptionally heavy crop in Alberta and in parts of Saskatchewan has been a matter of rejoicing, the lowness of the prices, while an evil, is possibly not an unmixed evil. Following the huge crop of 1915, with the excellent prices which the war brought there was a mad rush to get more land broken and grow more wheat the following year. The lowness of the price for wheat this year and the narrowness of the margin of profit is checking any such tendency, and it is quite among the possibilities that there will be a slight decrease rather than an increase in acreage of wheat next year. Signs are not wanting that there will be a greatly increased acreage in all the provinces of fodder corn and forage crops. Feed of all kinds is very abundant this winter and, while the prices of livestock have been low, the farmers are slowly but surely realizing that it pays to feed certain crops and have them walk off the farms on four feet, while there is no doubt that the tremendous losses of livestock in Britain due to the foot and mouth disease suggests to the Western farmer that his stock will be needed next spring, if in good condition to ship, and he is figuring that while he has lost something this fall, owing to the impossibility of moving stock in Britain while the quarantines are on, he stands to make it again next spring.

Cattle Loans in Demand

Manitoba to date is the only province with an honest to goodness cattle loan company in operation, and the demand for loans to buy cattle for feeding show that while Manitoba was short on wheat, owing to rust, she has abundance of feed and is making good use of it. The demand for breeding sows and ewes, and the demand for dairy cows due to freshen immediately are all healthy signs that point to the fact that in spite of low prices Western farmer are resolutely prepared to carry on, and to, as soon as possible, so change their farming methods as to both lessen the cost of production and of marketing.

A Hopeful Outlook

Speaking broadly, while times are still trying, there is generally throughout the West a more hopeful spirit than there was at this date last year, a feeling that bottom has been reached, and that while there will be uphill pushing for some time to come, the grade is not so steep but that it is possible to make it, if banks and other financial institutions will cooperate, and possibly not the least hopeful sign of the times in the West is the increasing extent to which this co-operation is taking place.

Banks, insurance companies and loan companies all report that farmers have greatly reduced their indebtedness in the past two years, and there is a growing disposition to help in every possible way the men who are showing an earnest disposition to help themselves.

In quite a number of sections of the West boards of trade are coming to the assistance of the farmers in the matter of the purchase of dairy cows, and similar efforts to help along the necessary change from exclusive grain to more varied farming, a change which some people seem to forget cannot be made overnight or made without the expenditure of a certain amount of money.

Aronovici—Thornton's Choice

By F. S-C.

There is one name that is continually cropping up in the news of the day and will appear more often in Canadian newspapers from now on. It is the name of Arnold Aronovici, unknown to Canadians, but chosen by Sir Henry Thornton to represent the Canadian National Railways in France. It was Aronovici who negotiated the deal for the purchase and lease of the Hotel Scribe, concerning which much has been heard and more is likely to be heard when parliament sits again.

What manner of man is this Arnold Aronovici, whose name most Canadians could not even pronounce and yet who commands the confidence and respect of the head of the Canadian National Railways to such a degree as to warrant his appointment to the important post of representative in the French capital and thus on the continent of Europe for the C. N. R.?

His Romantic Career

The story of his life reads like a romance.

Arnold Aronovici (call it Aronnoveetchy and you will not be far out) was born in a little Roumanian village fifty-four years ago. He remained a peasant lad in this village till he was twelve, not even learning his alphabet and never seeing one of the railway trains that was to be the ultimate end of his life's ambitions.

But by the time he was nineteen he had educated himself into a degree and was tackling medicine at a college in Vienna. He stuck to physics and bones for a year and then knew he was not made to be a doctor. He started at a commercial academy with the aim of learning all about business and finance. And while plunged deeply in his studies at this school he added the study of international law as a sideline. At the same time he was picking up a knowledge of various languages.

Is it any wonder then that at twenty-four he found himself in business life? His studies completed, he became manager of two branches of the Imperial Bank of Austria in Bucharest. As manager of the bank he continued his studies; he made himself an expert in foreign trade, particularly in the commercial relations of his motherland, Roumania, and the other Balkan countries.

The bank did not hold Aronovici for long. He went to Cairo where he learned there was an opening for a banking institution, and he founded a bank there. It is said that his real purpose in going to Cairo was to study the Orient thoroughly. The banking matter merely gave him his excuse to go to Cairo.

By this time young Aronovici was able to speak his native Roumanian, German, French, Italian, Spanish and a few minor languages.

Out of Cairo he made voyages of discovery to various parts of Egypt, Syria, Palestine, etc., and then returned to Roumania to establish himself with his father in the grain business. A few years of this, ever expanding years, and the restless spirit sought a still wider field that would bring him in touch with the leading financiers and business men of the world. At the beginning of the present century Mr. Aronovici set himself up as a metallurgical expert and also to carry on special investigations of a financial and business nature for the banking houses of Europe. This brought him to the United States on a mission to study the possibilities for the exportation of American coal to the Mediterranean countries. He met President Taft and Sam Rea, president of the Pennsylvania Railroad, who helped him to broaden his sphere of friendships. It also gave him his opportunity to work out what he considers the supreme achievement of his life—the planning of a great outport for New York at Montauk Point, that would prevent congestion in New York Harbor, relieve that city of the smoke from ocean vessels and cut two days off the trip across the ocean from a city in the United States to a city in Europe.

In France With Thornton

Finally, in 1914, Mr. Aronovici became agent general for the Great Eastern Railway in France. Sir Henry Thornton was head of this railway and when General Thornton went to France as head of the network of railways behind the fighting lines, Aronovici became one of his chief lieutenants. When Sir Henry Thornton was called to Canada to put the government-owned lines of this country in fighting trim he brought Aronovici with him to the Canadian service and gave him the Paris post.

A Policy for Ontario

(Goderich Signal).

The Toronto Star says it is "time to get busy" on an advanced program for the Liberal party of Ontario and suggests:

1. Old-age pensions.
2. Sickness insurance.
3. Unemployment insurance.

We agree with The Star that the Liberal party should move forward to new positions in its campaign for the betterment of the people. We have our doubts, however, as to the advantage to be gained by occupying the particular points indicated by The Star. We are told that these reforms have already been adopted and been put in successful operation in Great Britain. This is not conclusive, however, as to their desirability in this country. An old, over-populated, fully-developed country like Great Britain is a very different proposition from our land of vast territory and small population, immense undeveloped resources and unlimited opportunity. Doilies and finger-bowls are very nice and proper in their place, but there is no great demand for them in a new mining camp or in a pioneer lumberman's shanty. Old-age pensions are all right—we all get old some time, if we don't die first. There is something to be said in favor of sickness insurance. Unemployment insurance, however, is out of the question, or should be out of the question, in a young country like Canada where there is so very much to be done, where the job of developing the country is, indeed, only begun. There is some degree of unemployment in Canada, at some times if not always; but when it becomes serious we may be sure there is something wrong, needlessly wrong, in our social adjustments. The proper remedy is not to plaster over the bad spot with a government dole—an unnecessary drain upon the resources of the country—but to set things right so that unemployment shall cease.

We can imagine the raucous laugh with which the advocacy of unemployment insurance would be greeted in our farming communities. The payment of a government dole to fellows who would rather loaf in the city than go out to work on the farms where they are needed would be just about the last thing to suggest to a thrifty hard-working farmer.

What would be infinitely better than unemployment insurance would be the preparation of plans for large government works to be carried out in seasons of industrial depression. These things are usually started at the wrong time. When business is booming and nobody minds a bit of expense, governments go in for new public works, new railways, all sorts of new undertakings, which are conducted at great expense and by aggravating the scarcity of labor make the successful prosecution of private undertakings more difficult. Would it not be wiser for governments to go slowly when private business is rushing, and as much as possible to keep out of the labor market when labor is scare and dear? Then when business should slow down again and men should otherwise be out of employment, the governments could push their public works and prevent the distress which unemployment causes. By this means not only would the labor market be relieved, but the public would have its public works constructed at a minimum of expense. The benefits of this policy to the men themselves, in comparison with a system of government doles, do not require to be stated.

Surely this young country, with its social structure still in the making, is not reduced to the expedients of an effete Old World. Canada should endeavor to avoid the errors of the older countries, so that the conditions which call for the application of such expedients should never exist here.

There are other things to which the Liberal party of Ontario might well direct its attention. One very important and much-needed reform is summed up in the word economy. Sir Oliver Mowat and Col. A. M. Ross would turn in their graves if they could see the figures of provincial government expenditure these days. Mr. Sinclair, the new Liberal leader, has a turn for finance and may be expected to give this important subject a prominent place in his program. Then there is the question of the incidence of taxation, municipal and provincial. Business is altogether too heavily taxed in this province. This is a matter of concern to the farmer as well as to the merchant and the manufacturer. The spread between the price of his products and the cost of his purchases which the farmer views with dismay, is due in no inconsiderable degree to taxation, which the merchant or manufacturer pays in the first instance and then hands on to consumers in the selling price of his goods. We might mention education reform, afforestation, and other matters to which Liberal energy and zeal for the welfare of the people might well be directed. The Liberals of Ontario for some years to come will not need a lantern to go hunting for a policy.

EUROPEAN IMMIGRANTS COMING

WINNIPEG.—The large numbers of immigrants from Northern Europe, notably from Scandinavia, Finland and the Baltic States, are turning their eyes to Canada as their future home because of the restrictive immigration laws in the United States, is stated by G. Hiller Lundbeck, general manager of the Swedish-American Steamship Line. He said that the steamer Stockholm would call direct at Halifax on westbound voyages after January 1, in order to provide a direct route from Scandinavia to Canada.

1924 and After

by Lt.-Col. John Bayne Maclean

THE feature article of January 1st issue gives an authoritative presentation of the present day position of our Country and our Government. It points out with characteristic candor and striking directness some of the shortcomings and weaknesses; and gives constructive suggestions which all will want to read.

Other especially prepared articles of a Review and Outlook character appear in the

Jan. 1st MacLean's

Canadian Financial Houses Encourage Small Investor.—J. L. Rutledge

How Are You Building Up Your Estate?—A. M. Allan

And a remarkably informative article by the Editor on the business situation and the outlook, which he entitles

"Let Us Keep Our Tails Up!"

Fact and Fiction Features in the January 1st issue combine to make up one of the most entertaining and important issues that MacLean's have offered for some time. Read—

SAYING "SUCCESS" WITH FLOWERS —Alan Maurice Irwin
BRASS TACKS AND PAINT —Henry Holt
—Illustrated by Raeburn Van Buren.
HOW CANADA'S LAST FRONTIER OUTLAW DIED —Chief Buffalo Child Long Lance
—Photos by the Author.
BLAZING TRAILS IN B.C.—II. —Noel Robinson

CUPID'S COURSE IN SELLING —W. Michael Edwards
—Illustrated by Ralph Pallen Coleman.
NANNIBUTYAH AND THE GOAT —Norma Phillips Muir
—Illustrated by R. M. Brinkerhoff.
THE TRAVELER IN THE FUR CLOAK (Serial) —Stanley J. Weyman
—Illustrated by Dudley Gloyne Summers.

And all the Regular Departments Including
REVIEW OF REVIEWS

Jan. 1st issue now on Sale at all News-stands 15c.

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

Income Tax Could be Reduced And Nuisance Taxes Removed

Canada Could Save $60,000,000 a Year by Wholesale Slashing of Governmental Expenditures—Insistent Clamor for Lower Taxation Gaining Strength

From Our Own Correspondent.

MONTREAL.—Everywhere from the coal mines of Sydney to the sulphite mills of British Columbia there is an insistent clamor for lower taxes. The business man feels discouraged when his year's operations are completed and he surveys the financial results only to find that anything up to a quarter or more of his profits has to be handed over to various spending—and perhaps spendthrift—public bodies in the shape of tax payments. The man on the office stool kicks at his income tax, at his city property tax, at his provincial or city amusement tax. Taxes have become more certain than death, what with monkey glands and insulin.

Canada has not been burdened with taxes to any heavier degree than most other nations, it is true. With the exception of such of the combatant nations as Japan, that got more out of the war than they put into it, and some of the neutral nations, that were in a favored position, all of the nations of the world have found their public expenditures and the expenditures of their local governing bodies mounting fast, and the financial geniuses of the world have had to dig deeply to think of new ways of extracting money out of the taxpayers' pockets, with the minimum of effort and with as little pain to the patients as possible.

But Canada Has Not Stopped

Canada is different from some of these other nations in that it has shown few signs of returning to normal conditions, so far as public expenditures are concerned. Some of the cities are still plunging deeply into new public works. Among the provinces only a few have cut the per capita expense. At Ottawa, the spenders are spending freely, and the nuisance taxes are still in force clutching up bits of gold here and there, and causing immense public annoyance. The Canadian citizen hears with envy of the British income tax being cut by that prince of savers, Stanley Baldwin, and he hears with more envy that a gentleman by the name of Mellon is preparing to save every citizen of the United States a lot of money in his taxes next year. It is not a matter for surprise that every business man, every public speaker, every newspaper and every writer in Canada is taking up the cry to cut down public expenses, and thus effect a corresponding reduction in the tax bills that John Citizen is called upon to pay.

Where Can We Cut?

If expenses are to be cut, where are the slashes to be made? There is a good deal of money spent out each year on items and services that cannot very well be cut off with any less money than is now allotted to them. It takes over $130,000,000 a year to pay the interest on our bonds, most of them issued during the war to pay our share of the cost of that struggle. In this item alone we have around 40 per cent. of the total ordinary expenditures of the Dominion of Canada. The figure cannot be cut without a reduction in the debt of the country. The debt of the country cannot be cut until we save enough on our expenditures to give us a surplus to go into some kind of a sinking fund to pay off our bond issues as they mature. We have to look eleswhere for places to slash the public expenditure.

Pensions Are Going Down

Pensions take about $30,000,000 a year. It is likely that there will be reductions of anything up to $2,000,000 or $3,000,000 each year in this item, but no man in Canada is asking that it be reduced artificially by wholesale reductions in pensions. We are paying for the war again in the item of pensions, and do not expect to save money here except through a gradual reduction over a term of years in the total of pension payments.

Expenditure on soldiers' civil re-establishment, and on soldiers' settlement, took about $13,000,000 last year. Here is an item that offers considerable opportunities for saving from now on.

It is when we come to the general items of expenditure; the post office, the department of agriculture, the civil service, lands and parks, public works, and so on, that the real opportunity for saving money enters. Stories are told of the daughters of the wealthy families of Ottawa who drive to work in their own cars, hang around a minister's outer office for a few hours and then go home—for $2,000 a year. The stories are obviously exaggerations, but considered as satire on the actual condition of affairs they have an element of truth. The civil service is terribly overstaffed. A business executive of broad calibre, given supreme power over the country's affairs, could reduce the civil service to much smaller proportions than that it stands at to-day.

Could Save $60,000,000?

It is estimated by a man in a position to make a good guess that $60,000.000 could be saved the people of Canada by reductions in general expenditures, salaries and similar items of controllable government expenditure.

Add this $60,000,000 to the saving this year of around $15,000,000 in our railway bill—a saving which Sir Henry Thornton promises to multiply each year from now on—and the opportunity for a gigantic slash in taxation is apparent. The whole income tax produced less than $60,000,000 last year. The income tax, the business profits tax, and most of the little nuisance taxes between them did not produce the $75,000,000 savings that could be effected in governmental expenditure if a definite, sincere, fearless, effort were made to save that much, regardless of immediate political consequences.

What Could Be Done

The saving in railway expenditures alone should make possible a reduction of the ordinary income tax from 4 to 3 per cent. The saving in railway expenditure together with moderate economies would make possible the abolition of the stamp tax on checks, receipt tax, and all other minor taxes that are a national bother and considerable reductions, not only in the normal rate of income taxation, but in the surtaxes on large incomes.

Wealthy men are not asking to be relieved of any share of the taxes they pay at the enpense of other classes in the community. But what the politician and the ordinary citizen must get into their heads is the fact that when wealthy men are required to pay an undue proportion of their income to the government in the way of taxes that national development is slowed down just as surely as a railway train is slowed down by snow on the track.

Wealthy men do not hoard their gold in a stocking behind the chimney. They invest in the stocks and bonds of new railways, public utilities, factories, banks, loan companies, and similar enterprises that have as their ultimate end the utilization of raw materials and other natural resources, and that mean employment for workers, dividends for investors, income for cities, orders for factories and other good things that benefit the nation. If a man has an income of a million dollars and he spends $100,000 he has $900,000 to invest to the national advantage. His dividends or interest will be but a fair return for the loan of the money. But if $650,000 of his income goes back to the government in taxes he will have only $350,000 left. He probably will not bother to cut down his personal expenses. He will spend $100,000 and invest only $250,000. The result is that the country is the loser, for instead of having the capital that is working to increase the wealth of everybody increased by $900,000 it has increased by only $250,000, and the other $550,000 is dissipated in government extravagances.

Aftermath of the War

Canadians accept their high taxes as a necessary result of the war. The usual sense of injury and feeling of anger that accompanies the receipt of a tax bill has been assuaged by the feeling that we are paying for a contribution to civilization. But Canadians do feel that there should be a gradual reduction in the burden, and as they have waited four years without any sign of this they are beginning to feel resentment. The average business man is beginning to feel that his good nature has been imposed upon. He is beginning to see too that taxes have been an important factor in preventng a return to normal prosperity. Hence the slowly strengthening movement for definitely lower taxes.

It will be a man-sized job cutting taxes. But those in power who tackle it will receive such evidences of public goodwill and gratitude as are being showered on Sir Henry Thornton, who is making rapid strides in removing from us the incubus of railway deficits.

Putting C.M.A. Right With Public

At the same meeting of the Canadian Manufacturers' Association in Toronto at which Melville P. White, chairman of the Toronto Branch, called for a laying of cards on the table in establishing better relations between manufacturers and the public, A. O. Hogg, president, Toronto Board of Trade, spoke in a similar vein. He declared that manufacturers could expose much of the inner workings of their industries to the public to good advantage; he was of the opinion that the public would be astounded at the revelations, particularly with regard to the difficulties faced and the margin of profit secured on the investment. He advocated a campaign along these lines, adding: "We will be looked upon in a far more sincere way than is the case to-day."

In view of the importance of establishing better relations between the manufacturers and public, THE FINANCIAL POST has asked Mr. Hogg for an expression of his views of this question. His statement follows:

Having been engaged for over forty years in the seed and grain business, which involved both the production and marketing of these commodities, and having also had a fairly wide experience in other business enterprises, I have had perhaps a better opportunity than the majority of business men of coming into contact with and hearing expressed the views of many in the farming communities as well as those engaged in trade and commerce and of the workers and citizens generally.

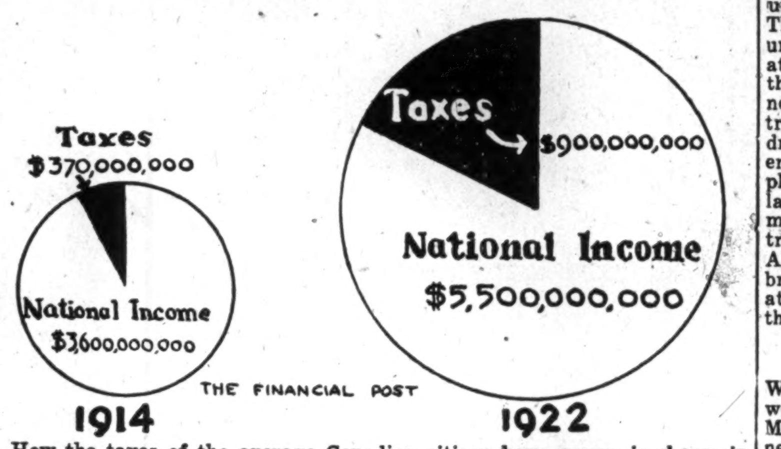
It has been my experience that many people are of the opinion that the industrial and commercial interests in Canada are banded together in associations mainly for the purpose of maintaining a high protective tariff and other selfish motives in their own interests, and without regard to whether or not it is for the public good. I am not saying this is or has been the case, in fact, I know the contrary to be the rule. Such a belief, however, exists in the minds of many and has not been conducive to the best relationships between industrial and commercial organizations and the rest of the community, but has led to misconception and misunderstanding. I am strongly of the opinion that if the manufacturers and other trade bodies were to take the public more into their confidence and by greater publicity make known their purposes, the difficulties that were being encountered in carrying on business, and the remedial measures which they considered necessary, much of the present antipathy towards such bodies would be removed, as all parties would realize that in the last analysis all were working to the one end, namely, the progress and welfare of the Dominion of Canada. I am convinced that a little more give and take and a sincere desire on the part of all interests—industrial, commercial, agricultural, labor and the general public—to co-operate for the common good will do much to hasten the return of more prosperous conditions and a more contented people.

Such statements as this and that of Mr. White, together with the expression of similar views by the president and vice-president of the association would indicate that the bigger men in the C. M. A. are now working along the right lines to secure that public recognition of the manufacturing industry to which it is entitled as a dominant factor in in the country's prosperity.

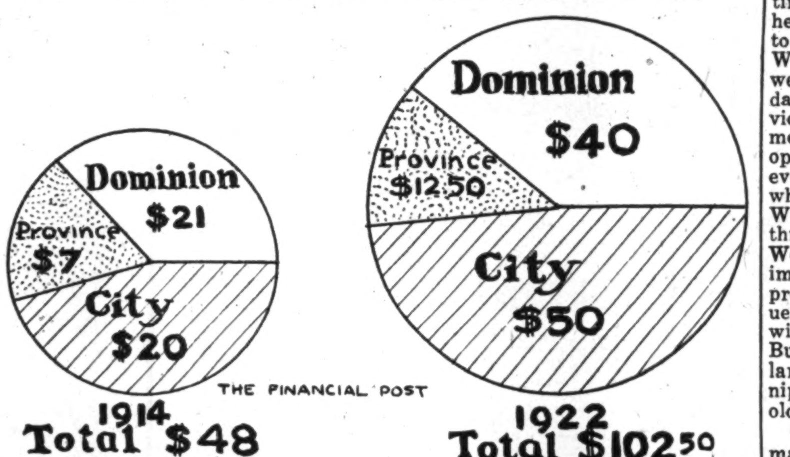
NEW ALMANAC ISSUED

The 1924 Canadian Almanac has just been issued by Copp, Clarke Co. It is as complete as ever, with such special features as the new Franco-Canadian Convention which is incorporated in the self-indexed Customs Tariff; a special article on National Defence giving complete account of the organization of the Militia, Naval and Air forces; Lists of Principal Clubs in Canada and of Boards of Trade and Chambers of Commerce; the new Patent and Copyright Acts.

Why Tax Reductions Are Needed



How the taxes of the average Canadian citizen have grown is shown in this table. The burden has more than doubled since before the war.



Taxation has grown more rapidly in Canada than our revenue from agriculture, manufacturing, mining and other forms of production. While taxation took but one-tenth of the national income in 1914, it now takes about one-sixth. In other words, while we each worked one day in ten to pay our taxes in 1914, we now work one day in six.

Deport Foreigners Who Are Creating Discord

KITCHENER.—The Record, commenting on the information that came out before Mr. Justice Kelly at Port Arthur as to the widespread efforts of Communists to create discord and promote immoralities in Canada, says:

"Deportation seems the best way of handling those communists who are of foreign birth. Ship them back to their own countries and let them disseminate their dangerous doctrines among those who are already inoculated.

"As to native-born Canadians who are ablaze with the radical spirit—a long sentence might dampen their enthusiasm and make them better appreciate the country of which they are unworthy citizens."

British Trade Made Recovery in Past Year

NEW YORK.—Official British Board of Trade figures received by the Bankers' Trust Company give detailed comparisons for 1923 and 1922, as follows:

	1922 (11 mos.)	1923 (11 mos.)
Imports	£908,187,278	£989,107,775
Exports	755,839,982	811,434,529
Coal exports (thousand tons)—	58,243	73,575
Iron and steel exports (thousand tons)—	3,060	3,964
Cotton piece goods exports (million square yards)—	3,820	3,818
Woolen tissue exports (million square yards)—	110	135
Shipping tonnage:		
Arriving with cargo (1,000 tons)—	39,610	46,376
Departing with cargo (1,000 tons)—	54,531	65,173

The greater value of British imports in 1923 was due largely to foodstuffs, which amounted to about £34-000,000 more than in 1922. Raw materials, such as timber, oils, fats, etc., and partly or wholly manufactured goods, notably non-ferrous metals, manufactures of iron and steel, and textiles, also accounted for the larger value of imports.

B.C. Trust Companies Act May be Amended

VICTORIA.—An act to amend the Trust Companies Act, introduced by David Whiteside, aims to make the investments, which a provincial trust company is authorized to make, uniform with those which a trust company, incorporated under the Dominion Trust Companies Act, can make.

The bill also proposes to enable a trust company to carry on an insurance agency business, and to make advances for the protection of property entrusted to its care, in the same manner as any ordinary "prudent" business concern would do.

Another clause would enable a trust company to invest or deposit moneys in readily convertible Dominion securities, such as Victory bonds.

If the bill becomes law, provincial trust companies will be able to file reports in the same form as they would under the acts under which they may respectively have been incorporated.

WINNIPEG'S OLDEST PRIVATE BANK HAD COLORFUL HISTORY

(Continued from page 9)

tecture. While Alloway and Champion occupied this building there occurred the memorable real estate boom of 1881, in which many fortunes collapsed. Practically all of the business men of the city participated, and when it collapsed a large percentage had judgments registered against them.

In 1884 the banking house crossed Main Street and the business was established on its present site. In 1912 the firm secured a banking charter under the provincial government. This conferred considerable powers, under which they continued to operate. In addition to the main office the firm opened, in 1905, a branch on north Main Street. This office attracted the patronage of many hundreds of foreign-born. At the present time ten interpreters are employed at this office, and every language which is heard in this metropolitan city is spoken in the transaction of daily business. Alloway and Champion also opened branch offices and made connections at outside points in Manitoba, but these have since disappeared.

A Cautious Optimist

With 53 years to his credit in Western Canada, a man who has weathered every Western "storm," Mr. Alloway concludes his active business life a cautious optimist. "There is another boom coming, and I sometimes think that it is not far away," he predicts, adding: "I was speaking to Mr. Ashdown (J. H. Ashdown, Western Canada's pioneer and now wealthy hardware merchant) a few days ago and he expressed a like conviction. Having seen the developments in this city since 1870—developments which have far surpassed every idea I had—I can have no doubt whatever regarding the future. The West must fill up with people, through the coming years, and as the West fills up Winnipeg must grow in importance, size, wealth and civic prestige. A great many of the values which we have known in the past will come back—and be surpassed. Business in all lines will be brisk, and larger fortunes will be made in Winnipeg than were made by any of the old-timers in the past."

This, then, is the swan song of a man who has accumulated wealth and business prestige, a man who out of his personal fortune lately established the $100,000 Alloway Foundation—"to do something for the needy of the city in which I myself have done so well."

Your Home and Office Need Genu

ORIENTAL RUGS

They are everlasting, satisfying, exquisite in colouring and moderate in price when bought from

BABAYANS Ltd.

Canada's Largest
Direct Importers
King & Victoria Streets
Toronto

COUNTY OF RENFREW

DEBENTURES FOR SALE

TENDERS will be received by the undersigned up to noon of Tuesday, the 22nd day of January, A.D. 1924, for the sale by the Corporation of the County of Renfrew—particulars as follows, $100,000.00, 5½%, 20 years, for permanent works on their highways. Debentures dated 22nd January, 1924, in 20 equal annual payments at the Pembroke branch of the Bank of Nova Scotia.

No tender necessarily accepted.
Mark envelope "Tenders."
Dated 31st December, A.D. 1923.

R. J. RONEY, County Clerk,
Pembroke, Ont.

Monarch Mortgage & Investments

LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend at the rate of 8 per cent. per annum has been declared on the Preference Shares of Monarch Mortgage and Investments, Limited, for the half-year ending December 31st, 1923, payable January 15th, 1924, to shareholders of record the 31st day of December, 1923.

E. A. TANNER,
Secretary.

Toronto, December 20th, 1923.

BOUNDARIES OF LABRADOR TO BE FIXED BY COURTS

Privy Council to Hear Case of Canada and Newfoundland

OTTAWA.—Sir Patrick McGrath, Commissioner for Newfoundland on the Labrador boundary dispute, has arrived in Ottawa from London, where he has been preparing a statement of the case for his Dominion. Before he left London his brief was approved by Sir John Simon, chief counsel for Newfoundland, and will immediately be printed and forwarded to the Canadian Commission and Judicial Committee of the Privy Council. The Canadian brief being prepared by Hon. C. J. Doherty in association with the Department of Justice, will not be completed for some weeks. When complete, copies will be forwarded to Newfoundland and the Judicial Committee.

After these briefs are considered by the respective countries, replies must be compiled, printed and forwarded to the same interested commissions for Newfoundland and Canada and also to the Judicial Committee of the Privy Council. It is not until this preliminary argument is complete that counsel will be heard by the Judicial Committee on the merits of the claims of Canada and Newfoundland to the hinterland of Labrador. Sir Patrick does not believe the case can reach the Privy Council for final decision before next summer at the earliest.

While preparations for a big legal contest are in progress, there have been overtures made by Newfoundland for an amicable settlement on the dispute over this territory in consideration of Canada liquidating Newfoundland's claim with a cash consideration. The first proposal from Newfoundland that Canada, for the sole right to Labrador, would assume Newfoundland's national debt of $60,000,000, was so extravagant that it was not given any serious consideration by Canada. It is, however, possible that more reasonable terms may be proposed and accepted.

Sir Patrick said there was little sentiment in Newfoundland in favor of union with Canada. The only opportunity for consolidating the British North American possession was in 1895, when the ancient colony sought to enter Confederation.

Newfoundland will shortly see big developments on its west coast, where a British syndicate is erecting huge paper and lumber mills and power plants on the Bay of Islands. This work is being done by General Stewart, who commanded the Canadian Railway troops in France.

OUTLOOK FOR PACKERS

Industry is in a Sound Position Says Wilson

NEW YORK.—The packing business, says Thomas E. Wilson, president of Wilson & Co., is in a sound position, and the companies should end 1923 with fair earnings. Problems confronting the packing business to-day, just as in other industries, are being solved in a satisfactory manner.

"Raw material costs are much lower and selling price levels, which show declines from peak prices ranging from 20 to more than 70 per cent., have resulted in an increased consumptive demand, especially because of the full employment of labor in all industrial centres. Labor shortage is not a serious factor in the packing industry."

TENDERS FOR BONDS

SEALED TENDERS, marked on the outside "Tender for Bonds," will be received by the undersigned up to noon of 10th January next for $70,000 Town of Campbellton Water Debentures, dated January 15th, 1924, and maturing 1959, bearing interest at 5½ per cent., principal and interest payable at Campbellton, N.B.

JOHN T. REID,
Town Clerk.

Campbellton, N.B., Dec. 26th, 1923.

Town of Aurora Debentures

TENDERS will be received for $106,000. TOWN OF AURORA 5½%, High School Debentures repayable in 30 annual instalments,—

Dated 1st January, 1924. Interest payable half-yearly, 1st January and July, at the Treasurer's Office, Aurora.

These Debentures are guaranteed absolutely as to principal and interest by the County of York by special endorsement on each Bond with signature of Warden and Clerk and the Seal of the County.

The Debentures will be printed in approved form with interest coupons attached, and in denominations to suit purchaser.

Sealed Tenders marked "Bond Tender" will be received up to noon of the Fourteenth day of January, 1924, addressed to C. A. Petch, Town Clerk, Aurora, Ont.

Howard Smith Paper Mills Limi

Common Dividend Notice

NOTICE IS HEREBY GIVEN that
dividend of 1½% on the Comm
Stock (being at the rate of 6% p
annum) of the HOWARD SMIT
PAPER MILLS, LIMITED, has been de
clared for the quarter ending the 31
day of December, 19 , payable on the
21st day of January, 1924, to share
holders of record at the close of bus
ness on the 10th day of January, 1924.

By order of the Board,
HAROLD CRABTREE,
Secretary.

Montreal, December [illegible] 1923.

Howard Smith Paper M

Preferred Dividend

NOTICE IS HEREBY G
dividend of 2% on t
Stock (being at the rat
annum) of the HOWA
PAPER MILLS, LIMITED,
clared for the quarter en
day of December, 1923, p
21st day of January, 1924
holders of record at the c
ness on the 10th day of J

By order of the Board.
HAROLD C

Montreal, December 24, 192

PENMANS LIM

DIVIDEND NOTI

NOTICE IS HEREBY GIV
following Dividends ha
clared for the quarter end
31, 1924.

On the Preferred Stock, o
half per cent. (1½%) pay
1st day of February to Sha
record of the 21st day of Ja

On the Common Stock, tw
(2%) payable on the 15th da
ary to Shareholders of rec
5th day of February, 1924.

By Order of the Board.
C. B. ROBINS
Secretary

Montreal, Que., December 20

THE DOMINION

NOTICE IS HEREBY GIVE
Annual General Meeti
Shareholders will be held a
Office of the Bank, in Toron
nesday, 30th January, 1924,
o'clock noon.

By Order of the Board.
C. A. BOG
Gene

Toronto, 15th November, 19

Abitibi Power and P

Limited

NOTICE IS HEREBY GIVEN
terly dividend of $1.00 per
declared on the Common Stock
Power & Paper Company, Li
the 21st day of January, 1924,
of record at the close of busine
of January, 1924.

By Order of the B
L. R. W

Dominion Steel Corporati

NOTICE OF PREFERENC
DIVIDEND No. 4

A QUARTERLY Dividend o
half per cent. on the
of the Dominion Steel C
has been declared, paya
Shareholders of record o
The Transfer Books
16th January to 1st
days inclusive.
By order of the Boa
C. B.

Montreal, Decemb